



April 7, 2009

ENGROSSED HOUSE BILL No. 1604

DIGEST OF HB 1604 (Updated April 3, 2009 10:52 am - DI 58)

Citations Affected: IC 6-9; IC 7.1-4; IC 36-7; IC 36-9; IC 36-10; noncode.

Synopsis: Local taxes. Permits the Marion County city-county council to increase: (1) the county admissions tax from 6% to 10%; (2) the county food and beverage tax from 2% to 2.25%; and (3) the county innkeepers tax from 9% to 10%. Dedicates the revenue from these increases to the Marion County capital improvement board of managers (Marion County CIB). Permits cities and towns to use parking meter revenue for costs associated with the acquisition, construction, renovation, operation, and maintenance of public infrastructure and improvements and securitize parking system revenues in the city or town. Allows for an addition to the Marion County professional sports development area to include a hotel complex located within 0.5 miles from the Indiana Convention Center. Provides for the deposit of the state sales taxes from the additional area in a new Marion County CIB sports and convention facilities operating fund and restricts the use of the new operating fund to paying usual and customary operating
(Continued next page)

Effective: Upon passage; July 1, 2009; January 1, 2010.

GiaQuinta, Borrer, Moses, Bell

(SENATE SPONSORS — WYSS, DEIG, KENLEY)

January 16, 2009, read first time and referred to Committee on Local Government.
February 10, 2009, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.
February 17, 2009, amended, reported — Do Pass.
February 19, 2009, read second time, ordered engrossed. Engrossed.
February 25, 2009, read third time, passed. Yeas 98, nays 0.

SENATE ACTION

March 3, 2009, read first time and referred to Committee on Local Government.
March 24, 2009, reassigned to Committee on Appropriations pursuant to Senate Rule 65(b).
April 6, 2009, amended, reported favorably — Do Pass.

EH 1604—LS 7386/DI 58+



C
o
p
y

expenses that have a positive economic impact with respect to capital improvements operated by the Marion County CIB. Eliminates the capture of state sales taxes in the tax area addition not later December 31, 2040. Changes the name of the Fort Wayne-Allen county convention and tourism authority to the Allen County-Fort Wayne capital improvement board of managers (Allen County-Fort Wayne CIB). Provides that 50% of any food and beverage tax revenue in Allen County that is received after December 31, 2009, and is not needed for debt payments is to be transferred to the Allen County-Fort Wayne CIB and may be used only for projects commenced after December 31, 2008, and not for operational expenses. Provides that the Allen County-Fort Wayne CIB must deposit the amount transferred into a reserve account, where it must be held for 12 months. Allows the Allen County-Fort Wayne CIB to transfer interest on the reserve account and amounts on deposit for more than 12 months to the board's capital improvement fund. Provides that, after June 30, 2009, Allen County-Fort Wayne CIB must approve any food and beverage tax pledge for bonds, loans, or leases. Requires the executive director of the Allen County Memorial Coliseum to file an annual report of operations with the Allen County- Fort Wayne CIB. Requires the executive manager of the Allen County- Fort Wayne CIB to file an annual report of operations with the Allen County- Fort Wayne CIB. Provides that the part of the Vanderburgh County innkeeper's tax rate that is dedicated to pay the operating expenses of a convention center is reduced from 2% to 1% after December 31, 2014 (rather than after December 31, 2009, under current law). Provides for a corresponding delay in the increase in the part of the Vanderburgh County innkeeper's tax rate that is deposited in the tourism capital improvement fund. Specifies that if the Vanderburgh County council adopts a resolution providing that the Vanderburgh County food and beverage tax should be continued to finance the acquisition, construction, and equipping of an arena and other facilities that serve or support the arena activities, any excess food and beverage tax revenue that is not needed to pay any bonds, leases, or other obligations for a convention center shall be transferred to the fiscal officer of Evansville for deposit in an Evansville arena fund. Provides that money in the Evansville arena fund shall be used for financing the acquisition, construction, and equipping of an arena and other facilities that serve or support the arena activities. Specifies that if the Vanderburgh County council adopts a resolution providing that the Vanderburgh County food and beverage tax should be continued to finance the acquisition, construction, and equipping of an arena and other facilities that serve or support the arena activities, the food and beverage tax: (1) does not terminate after the last of the bonds issued to finance improvements to the Vanderburgh County auditorium or auditorium renovations, and the last of any bonds issued to refund those bonds, have been completely paid; and (2) continues until the last of the bonds issued to finance the acquisition, construction, and equipping of the Evansville arena and other facilities that serve or support the arena activities, and the last of any bonds issued to refund those bonds, have been completely paid. Repeals superseded provisions of the Allen County food and beverage tax. Repeals provisions specifying that the amounts received from the Vanderburgh County food and beverage tax shall be used to pay bonds issued to finance the construction of an airport terminal. Permits Monroe County to impose a county food and beverage tax of 1% of the gross retail income received by a food and beverage merchant. Establishes a local advisory commission to assist and coordinate efforts of the county and city fiscal bodies regarding the utilization of food and beverage tax revenue. Eliminates the expiration date in the Martinsville food and beverage tax by which the city of Martinsville may initiate projects funded by food and beverage tax revenues. Allows Morgan County to establish a 5% innkeeper's tax to fund parks and recreation

(Continued next page)

C
o
p
y



projects, including providing funding for matching grants. Permits Martinsville to fund city parks pay operational expenses with the Martinsville food and beverage tax. Increases all alcohol beverage excise taxes by 100% and distributes the revenue from these increases to cities and towns based on population. Requires the revenue distributed to be used for economic development, including job creation or retention, infrastructure, and employment related training. Requires the revenue receive by Indianapolis to be transferred to the Marion County CIB. Requires 50% of the alcoholic beverage tax revenue received by Fort Wayne to be transferred to the Allen County-Fort Wayne CIB. Makes an appropriation for the distribution of these food and beverage taxes, innkeepers taxes, and state sales taxes in the additional Marion County professional sports development area taxes.

**C
o
p
y**



April 7, 2009

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1604

A BILL FOR AN ACT to amend the Indiana Code concerning local government and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-9-2.5-7.5, AS AMENDED BY P.L.224-2007,
2 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2009]: Sec. 7.5. (a) The county treasurer shall establish a
4 tourism capital improvement fund.

5 (b) The county treasurer shall deposit money in the tourism capital
6 improvement fund as follows:

7 (1) Before January 1, ~~2010~~, **2015**, the county treasurer shall
8 deposit in the tourism capital improvement fund the amount of
9 money received under section 6 of this chapter that is generated
10 by a three and one-half percent (3.5%) rate.

11 (2) After December 31, ~~2009~~, **2014**, the county treasurer shall
12 deposit in the tourism capital improvement fund the amount of
13 money received under section 6 of this chapter that is generated
14 by a four and one-half percent (4.5%) rate.

15 (c) The commission may transfer money in the tourism capital
16 improvement fund to:

17 (1) the county government, a city government, or a separate body

EH 1604—LS 7386/DI 58+



C
o
p
y

corporate and politic in a county described in section 1 of this chapter; or

(2) any Indiana nonprofit corporation;

for the purpose of making capital improvements in the county that promote conventions, tourism, or recreation. The commission may transfer money under this section only after approving the transfer. Transfers shall be made quarterly or less frequently under this section.

SECTION 2. IC 6-9-2.5-7.7, AS AMENDED BY P.L.168-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7.7. (a) The county treasurer shall establish a convention center operating fund.

(b) Before January 1, ~~2010~~, **2015**, the county treasurer shall deposit in the convention center operating fund the amount of money received under section 6 of this chapter that is generated by a two percent (2%) rate. Money in the fund must be expended for the operating expenses of a convention center.

(c) After December 31, ~~2009~~, **2014**, the county treasurer shall deposit in the convention center operating fund the amount of money received under section 6 of this chapter that is generated by a one percent (1%) rate. Money in the fund must be expended for the operating expenses of a convention center with the unused balance transferred on January 1 of each year to the tourism capital improvement fund.

SECTION 3. IC 6-9-8-3, AS AMENDED BY P.L.214-2005, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The tax imposed by section 2 of this chapter shall be at the rate of:

(1) before January 1, 2028, five percent (5%) on the gross income derived from lodging income only, plus an additional one percent (1%) if the fiscal body adopts an ordinance under subsection (b), plus an additional three percent (3%) if the fiscal body adopts an ordinance under subsection (d);

(2) after December 31, 2027, and before January 1, 2041, five percent (5%), plus an additional one percent (1%) if the fiscal body adopts an ordinance under subsection (b), plus an additional three percent (3%) if the fiscal body adopts an ordinance under subsection (d); and

(3) after December 31, 2040, five percent (5%).

(b) In any year subsequent to the initial year in which a tax is imposed under section 2 of this chapter, the fiscal body may, by ordinance adopted by at least two-thirds (2/3) of the members elected to the fiscal body, increase the tax imposed by section 2 of this chapter

**C
o
p
y**



from five percent (5%) to six percent (6%). The ordinance must specify that the increase in the tax authorized under this subsection expires January 1, 2028.

(c) The amount collected from an increase adopted under subsection (b) shall be transferred to the capital improvement board of managers established by IC 36-10-9-3. The board shall deposit the revenues received under this subsection in a special fund. Money in the special fund may be used only for the payment of obligations incurred to expand a convention center, including:

(1) principal and interest on bonds issued to finance or refinance the expansion of a convention center; and

(2) lease agreements entered into to expand a convention center.

(d) On or before June 30, 2005, the fiscal body may, by ordinance adopted by a majority of the members elected to the fiscal body, increase the tax imposed by section 2 of this chapter by an additional three percent (3%) to a total rate of eight percent (8%) (or nine percent (9%) if the fiscal body has adopted an ordinance under subsection (b) and that rate remains in effect). The ordinance must specify that the increase in the tax authorized under this subsection expires on:

(1) January 1, 2041;

(2) January 1, 2010, if on that date there are no obligations owed by the capital improvement board of managers to the authority created by IC 5-1-17 or to any state agency under IC 5-1-17-26; or

(3) October 1, 2005, if on that date there are no obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority or to any state agency under a lease or a sublease of an existing capital improvement entered into under IC 5-1-17, unless waived by the budget director.

If the fiscal body adopts an ordinance under this subsection, it shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue, and the increase in the tax imposed under this chapter applies to transactions that occur after June 30, 2005.

(e) On or before June 30, 2009, the fiscal body may, by ordinance adopted by a majority of the members elected to the fiscal body, increase the tax imposed by section 2 of this chapter by an additional one percent (1%) to a total rate of:

(1) nine percent (9%); or

(2) ten percent (10%), if the fiscal body has adopted an ordinance under subsection (b) and that rate remains in

C
o
p
y



effect. The ordinance must specify that the increase in the tax authorized under this subsection expires on January 1, 2041. If the fiscal body adopts an ordinance under this subsection, it shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue, and the increase in the tax imposed under this chapter applies to transactions that occur after June 30, 2009.

(f) The amount collected from an increase adopted under:

(1) subsection (b) and collected after December 31, 2027; and

(2) subsection (d);

shall be transferred to the capital improvement board of managers established by IC 36-10-9-3 or its designee. So long as there are any current or future obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency pursuant to a lease or other agreement entered into between the capital improvement board of managers and the Indiana stadium and convention building authority or any state agency pursuant to IC 5-1-17-26, the capital improvement board of managers or its designee shall deposit the revenues received under this subsection in a special fund, which may be used only for the payment of the obligations described in this subsection.

(g) The amount collected from an increase adopted under subsection (e) shall be transferred to the capital improvement board of managers established by IC 36-10-9-3 or its designee. The capital improvement board or its designee shall deposit the revenue received under this subsection in a special fund, which may be used only for paying usual and customary operating expenses that have a positive economic impact with respect to the capital improvements that are operated by the capital improvement board. The special fund may not be used for the payment of any current or future obligations owed by the board:

(1) to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency under a lease or another agreement entered into between the capital improvement board and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26; or
(2) for the construction or equipping of a capital improvement that is used for a professional sporting event or convention, including the financing or refinancing of a capital improvement or the payment of lease payments for a capital improvement.

SECTION 4. IC 6-9-12-5, AS AMENDED BY P.L.214-2005,

EH 1604—LS 7386/DI 58+



C
o
p
y

SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Subject to subsection (b), the county food and beverage tax imposed on a food or beverage transaction described in section 3 of this chapter equals one percent (1%) of the gross retail income received by the retail merchant from the transaction. The tax authorized under this subsection expires January 1, 2041.

(b) On or before June 30, 2005, the city-county council of a county may, by a majority vote of the members elected to the city-county council, adopt an ordinance that increases the tax imposed under this chapter by an additional rate of one percent (1%) to a total rate of two percent (2%). The ordinance must specify that the increase in the tax authorized under this subsection expires on:

(1) January 1, 2041;

(2) January 1, 2010, if on that date there are no obligations owed by the capital improvement board of managers to the authority created by IC 5-1-17 or to any state agency under IC 5-1-17-26; or

(3) October 1, 2005, if on that date there are no obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority or to any state agency under a lease or a sublease of an existing capital improvement entered into under IC 5-1-17, unless waived by the budget director.

If a city-county council adopts an ordinance under this subsection, it shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue, and the increase in the tax imposed under this chapter applies to transactions that occur after June 30, 2005.

(c) On or before June 30, 2009, the city-county council of a county may, by a majority vote of the members elected to the city-county council, adopt an ordinance that increases the tax imposed under this chapter by an additional rate of twenty-five hundredths percent (0.25%) to a total rate of two and twenty-five hundredths percent (2.25%). The ordinance must specify that the increase in the tax authorized under this subsection expires on January 1, 2041. If a city-county council adopts an ordinance under this subsection, it shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue, and the increase in the tax imposed under this chapter applies to transactions that occur after June 30, 2009.

~~(c)~~ (d) For purposes of this chapter, the gross retail income received

C
o
p
y



by the retail merchant from a transaction that is subject to the tax imposed by this chapter does not include the amount of tax imposed on the transaction under IC 6-2.5.

SECTION 5. IC 6-9-12-8, AS AMENDED BY P.L.214-2005, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The amounts received from the county food and beverage tax shall be paid monthly by the treasurer of the state to the treasurer of the capital improvement board of managers of the county or its designee upon warrants issued by the auditor of state.

(b) So long as there are any current or future obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency pursuant to a lease or other agreement entered into between the capital improvement board of managers and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26, the capital improvement board of managers or its designee shall deposit the revenues received from that portion of the county food and beverage tax imposed under:

(1) section 5(a) of this chapter for revenue received after December 31, 2027; and

(2) section 5(b) of this chapter; in a special fund, which may be used only for the payment of the obligations described in this section.

(c) The amount collected from an increase adopted under section 5(c) of this chapter shall be transferred to the capital improvement board of managers established by IC 36-10-9-3 or its designee. The capital improvement board or its designee shall deposit the revenue received under this subsection in a special fund, which may be used only for paying usual and customary operating expenses that have a positive economic impact with respect to the capital improvements that are operated by the capital improvement board. The special fund may not be used for the payment of any current or future obligations owed by the board:

(1) to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency under a lease or another agreement entered into between the capital improvement board and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26; or
(2) for the construction or equipping of a capital improvement that is used for a professional sporting event or convention, including the financing or refinancing of a capital

C
o
p
y



improvement or the payment of lease payments for a capital improvement.

SECTION 6. IC 6-9-13-2, AS AMENDED BY P.L.214-2005, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as provided in subsection (b), the county admissions tax equals five percent (5%) of the price for admission to any event described in section 1 of this chapter.

(b) On or before June 30, 2005, the city-county council may, by ordinance adopted by a majority of the members elected to the city-county council, increase the county admissions tax from five percent (5%) to six percent (6%) of the price for admission to any event described in section 1 of this chapter.

(c) On or before June 30, 2009, the city-county council may, by ordinance adopted by a majority of the members elected to the city-county council, increase the county admissions tax from six percent (6%) to ten percent (10%) of the price for admission to any event described in section 1 of this chapter.

~~(c)~~ (d) The amount collected from that portion of the county admissions tax imposed under:

(1) subsection (a) and collected after December 31, 2027; and

(2) subsection (b);

shall be distributed to the capital improvement board of managers or its designee. So long as there are any current or future obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency pursuant to a lease or other agreement entered into between the capital improvement board of managers and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26, the capital improvement board of managers or its designee shall deposit the revenues received from that portion of the county admissions tax imposed under subsection (b) in a special fund, which may be used only for the payment of the obligations described in this subsection.

(e) The amount collected from an increase adopted under subsection (c) shall be transferred to the capital improvement board of managers established by IC 36-10-9-3 or its designee. The capital improvement board or its designee shall deposit the revenue received under this subsection in a special fund, which may be used only for paying usual and customary operating expenses that have a positive economic impact with respect to the capital improvements that are operated by the capital improvement board. The special fund may not be used for the payment of any current or future obligations owed by the board:

**C
o
p
y**



(1) to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency under a lease or another agreement entered into between the capital improvement board and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26; or (2) for the construction or equipping of a capital improvement that is used for a professional sporting event or convention, including the financing or refinancing of a capital improvement or the payment of lease payments for a capital improvement.

SECTION 7. IC 6-9-20-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) The fiscal body of the county may adopt an ordinance to impose an excise tax, known as the county food and beverage tax, on those transactions described in section 4 of this chapter.

(b) If a fiscal body adopts an ordinance under subsection (a), it shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue.

(c) If a fiscal body adopts an ordinance under subsection (a), the county food and beverage tax applies to transactions that occur after the last day of the month that succeeds the month in which the ordinance was adopted.

~~(d) The tax terminates in a county on January 1 of the year immediately following the year in which the last of the bonds issued to finance the construction of an airport terminal and the last of any bonds issued to refund those bonds have been completely paid as to both principal and interest.~~

~~(e) Notwithstanding subsection (d);~~ **(d) Except as provided in subsection (e),** if the county fiscal body determines that the tax under this chapter should be continued in order to finance improvements to a county auditorium or auditorium renovation resulting in a new convention center and related parking facilities, the tax ~~does not terminate as specified in subsection (d) but instead~~ continues until January 1 of the year following the year in which the last of the bonds issued to finance improvements to a county auditorium or auditorium renovation resulting in a new convention center and related parking facilities, and the last of any bonds issued to refund those bonds, have been completely paid or defeased as to both principal and interest. An action to contest the validity of the determination under this subsection must be instituted not more than thirty (30) days after the determination.

(e) Notwithstanding subsection (d), if the county fiscal body

C
o
p
y



determines that the tax under this chapter should be continued to finance the acquisition, construction, and equipping of an arena and other facilities that serve or support the arena activities, the tax does not terminate as specified in subsection (d) but continues until January 1 of the year following the year in which the last of the bonds issued to finance the acquisition, construction, and equipping of the arena and other facilities that serve or support the arena activities, and the last of any bonds issued to refund those bonds, have been completely paid or defeased as to both principal and interest. An action to contest the validity of the determination under this subsection must be instituted not more than thirty (30) days after the determination.

SECTION 8. IC 6-9-20-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7.5. If:

(1) the treasurer of the airport authority has certified to the treasurer of state that the last of the bonds issued to finance the construction of an airport terminal and the last of any bonds issued to refund those bonds have been completely paid as to both principal and interest; and

(2) the county fiscal body has determined to continue the tax to finance improvements to a county auditorium or auditorium renovation resulting in a new convention center and related parking facilities **or to finance the acquisition, construction, and equipping of an arena and other facilities that serve or support the arena activities;**

the amounts received from the taxes imposed under this chapter shall be paid monthly by the treasurer of state to the county treasurer **under section 8.5 of this chapter or the fiscal officer of the largest municipality in the county under section 9.5 of this chapter** upon warrants issued by the auditor of state.

SECTION 9. IC 6-9-20-8.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8.5. (a) If the tax imposed under section 3 of this chapter is continued to finance improvements to the county auditorium or auditorium renovation resulting in a new convention center and related parking facilities, the county treasurer shall establish an auditorium fund.

(b) **Except as provided in sections 8.8 and 9.5 of this chapter,** the county treasurer shall deposit in this fund all amounts received under this chapter.

(c) Any money earned from the investment of money in the fund becomes a part of the fund.

(d) Money in the fund shall be used by the county for the financing,

C
o
p
y



1 construction, renovation, improvement, and equipping of a county
2 auditorium or auditorium renovation resulting in a new convention
3 center and related parking facilities.

4 SECTION 10. IC 6-9-20-8.8 IS ADDED TO THE INDIANA CODE
5 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
6 1, 2009]: **Sec. 8.8. (a) If the tax imposed under section 3 of this
7 chapter is continued to finance the acquisition, construction, and
8 equipping of an arena and other facilities that serve or support the
9 arena activities, the county treasurer shall determine whether
10 there is any food and beverage tax revenue under this chapter that
11 is not required to be deposited and held to:**

12 (1) pay any debt service on bonds issued or rentals on leases
13 entered into by January 1, 2009, for which a pledge of
14 revenues of the food and beverage tax has been made by the
15 county as set forth in section 8.7 of this chapter; or

16 (2) provide for a debt service reserve related to the bonds or
17 leases described in subdivision (1).

18 (b) Before the twentieth day of each month, the county treasurer
19 shall determine whether there is excess food and beverage tax
20 revenue under subsection (a) and by the last day of that month
21 transfer the excess food and beverage tax revenue to the fiscal
22 officer of the largest municipality in the county. The municipal
23 fiscal officer shall deposit the excess food and beverage tax revenue
24 in a municipal arena fund. Any money earned from the investment
25 of money in the municipal arena fund becomes a part of the
26 municipal arena fund. Money in the municipal arena fund shall be
27 used by the largest municipality in the county for financing the
28 acquisition, construction, and equipping of an arena and other
29 facilities that serve or support the arena activities. This money
30 shall be retained in the municipal arena fund until applied or
31 transferred to another fund pledged to the payment of debt service
32 on bonds, rent on leases, or other obligations incurred to finance
33 the facilities.

34 SECTION 11. IC 6-9-20-8.9 IS ADDED TO THE INDIANA CODE
35 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
36 1, 2009]: **Sec. 8.9. (a) If the tax imposed under section 3 of this
37 chapter is continued to finance the acquisition, construction, and
38 equipping of an arena and other facilities that serve or support the
39 arena activities, the largest municipality in the county may issue
40 bonds, enter into leases, or incur other obligations to:**

41 (1) pay any costs associated with the financing, acquisition,
42 construction, and equipping of the arena and other facilities

C
o
p
y



that serve or support the arena activities; or
 (2) refund bonds issued or other obligations incurred under this chapter so long as any bonds issued or other obligations incurred to refund bonds or retire other obligations do not extend the date when the previous bonds or other obligations will be completely paid as to principal and interest.

(b) Bonds issued or other obligations incurred under this section:

(1) are payable from money provided in this chapter, any other revenues available to the municipality, or any combination of these sources;

(2) must be issued in the manner prescribed by IC 36-4-6-19 through IC 36-4-6-20;

(3) may not have a term ending more than thirty (30) years after the first February 1 following the date on which construction of the arena and other facilities that serve or support the arena activities is estimated to be completed;

(4) may be payable at any regular designated intervals and may be paid in unequal amounts if the municipality reasonably expects to pay the debt service from funds other than property taxes that are exempt from the levy limitations of IC 6-1.1-18.5 (even if the municipality has pledged to levy property taxes to pay the debt service if those other funds are insufficient); and

(5) may, in the discretion of the municipality, be sold at a negotiated sale at a price to be determined by the municipality or in accordance with IC 5-1-11 and IC 5-3-1.

(c) Leases entered into under this section:

(1) may be for a term ending not later than thirty (30) years after the first February 1 following the date on which construction of the arena and other facilities that serve or support the arena activities is estimated to be completed;

(2) may be payable at any regular designated intervals and may be paid in unequal amounts if the municipality reasonably expects to pay the lease rentals from funds other than property taxes that are exempt from the levy limitations of IC 6-1.1-18.5 (even if the municipality has pledged to levy property taxes to pay the lease rentals if those other funds are insufficient);

(3) may provide for payments from revenues under this chapter, any other revenues available to the municipality, or any combination of these sources;

**C
O
P
Y**



(4) may provide that payments by the municipality to the lessor are required only to the extent and only for the time that the lessor is able to provide the leased facilities in accordance with the lease;

(5) must be based upon the value of the facilities leased; and

(6) may not create a debt of the municipality for purposes of the Constitution of the State of Indiana.

(d) A lease may be entered into by the municipal executive after a public hearing of the municipal fiscal body at which all interested parties are provided the opportunity to be heard. After the public hearing, the municipal executive may approve the execution of the lease on behalf of the municipality only if:

(1) the municipal executive finds that the service to be provided throughout the life of the lease will serve the public purpose of the municipality and is in the best interests of its residents; and

(2) the lease is approved by an ordinance of the municipal fiscal body.

(e) An action to contest the validity of bonds issued or leases entered into under this section must be brought not later than thirty (30) days after the adoption of a bond ordinance or the municipal executive's action approving the execution of the lease.

(f) Notwithstanding the provisions of this chapter or any other law, instead of issuing bonds, entering into leases, or incurring obligations in whole or in part under this chapter, the largest municipality in the county may cause bonds to be issued, leases to be entered into, or obligations to be incurred under this subsection to finance the acquisition, construction, and equipping of an arena and other facilities that serve or support the arena. The bonds, leases, or obligations:

(1) must be issued, entered, or incurred by any special taxing district, agency, department, or instrumentality of or in the municipality, under any other law by which bonds may be issued, leases may be entered, or obligations incurred;

(2) must be payable from money provided under this chapter, from any other revenues available to the municipality or any special taxing district, agency, department, or instrumentality of or in the municipality, or any combination of these sources;

(3) must have a term ending not later than thirty (30) years after the first February 1 following the date on which construction of the arena and other facilities that serve or support the arena activities is estimated to be completed; and

**C
O
P
Y**



(4) may be payable at any regular designated intervals and may be paid in unequal amounts if the municipality, special taxing district, agency, department, or instrumentality of or in the municipality reasonably expects to pay the debt service or lease rentals from funds other than property taxes that are exempt from the levy limitations of IC 6-1.1-18.5 (even if the municipality or any special taxing district, agency, department, or instrumentality of or in the municipality has pledged to levy property taxes to pay the debt service or lease rentals if those other funds are insufficient).

SECTION 12. IC 6-9-20-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. With respect to

(1) bonds for which a pledge of airport authority revenues has been made by the airport authority, the Indiana general assembly covenants with the airport authority and the purchasers of those bonds that:

(A) this chapter will not be repealed or amended in any manner that will adversely affect the imposition or collection of the tax imposed by this chapter; and

(B) this chapter will not be amended in any manner that will change the purpose for which revenues from the tax imposed by this chapter may be used;

as long as the principal of or interest on any of those bonds is unpaid; and

(2) bonds, leases, or other obligations for which a pledge of revenues of the food and beverage tax imposed under this chapter has been made by the county as set forth in section 8.7 or 8.9 of this chapter, and bonds issued by a lessor that are payable from lease rentals, the general assembly covenants with the county, **the largest municipality in the county**, and the purchasers or owners of the bonds or other obligations described in this subdivision that this chapter will not be repealed or amended in any manner that will adversely affect the imposition or collection of the food and beverage tax imposed by this chapter as long as the principal of any bonds, the interest on any bonds, or the lease rentals due under any lease are unpaid.

SECTION 13. IC 6-9-20-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9.5. If:

(1) the county treasurer has certified to the treasurer of state that:

(A) the last of the bonds issued to finance the

C
o
p
y



1 improvements to a county auditorium or auditorium
 2 renovation resulting in a new convention center and
 3 related parking facilities; and

4 (B) the last of any bonds issued to refund the bonds
 5 referred to in clause (A);

6 have been completely paid or defeased as to both principal
 7 and interest; and

8 (2) the county fiscal body has made a determination to
 9 continue the tax to finance the acquisition, construction, and
 10 equipping of an arena and other facilities that serve or
 11 support the arena activities;

12 the amounts received from the taxes imposed under this chapter
 13 shall be paid monthly by the treasurer of state to the fiscal officer
 14 of the largest municipality in the county upon warrants issued by
 15 the auditor of state. The fiscal officer shall deposit any amounts
 16 received under this section in the municipal arena fund.

17 SECTION 14. IC 6-9-20-11 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. The financing of:

19 (1) improvements to a county auditorium or auditorium
 20 renovation resulting in a new convention center and related
 21 parking facilities; and

22 (2) the acquisition, construction, and equipping of an arena
 23 and other facilities that serve or support the arena activities;

24 serves a public purpose and is of benefit to the general welfare of the
 25 county by enhancing cultural activities and improving the quality of life
 26 in the county and encouraging investment, economic growth, and
 27 diversity.

28 SECTION 15. IC 6-9-27-9.5, AS AMENDED BY P.L.184-2006,
 29 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JANUARY 1, 2010]: Sec. 9.5. (a) A city shall use money in the fund
 31 established under section 8.5 of this chapter for only the following:

32 (1) Renovating the city hall.

33 (2) Constructing new police or fire stations, or both.

34 (3) Improving the city's sanitary sewers or wastewater treatment
 35 facilities, or both.

36 (4) Improving the city's storm water drainage systems.

37 (5) Other projects involving the city's water system **or sanitary**
 38 **sewer system** or protecting the city's well fields, as determined by
 39 the city fiscal body.

40 (6) Improvements or projects involving the city's parks.

41 Money in the fund may not be used for the operating costs of a project.
 42 In addition, the city may not initiate a project under this chapter after

C
O
P
Y



~~December 31, 2015.~~

(b) The fiscal body of the city may pledge money in the fund to pay bonds issued, loans obtained, and lease payments or other obligations incurred by or on behalf of the city or a special taxing district in the city to provide the projects described in subsection (a).

(c) Subsection (b) applies only to bonds, loans, lease payments, or obligations that are issued, obtained, or incurred after the date on which the tax is imposed under section 3 of this chapter.

(d) A pledge under subsection (b) is enforceable under IC 5-1-14-4.

SECTION 16. IC 6-9-33-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. The county supplemental food and beverage tax imposed on a food or beverage transaction described in section 4 of this chapter may not exceed one percent (1%) of the gross retail income received by the merchant from the transaction. For purposes of this chapter, the gross retail income received by the retail merchant from such a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5. ~~or IC 6-9-23.~~

SECTION 17. IC 6-9-33-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. **(a)** If a tax is imposed under section 3 of this chapter, the county treasurer shall establish a supplemental coliseum improvement fund. The county treasurer shall deposit in this fund all amounts received from the tax imposed under this chapter. Money in this fund:

(1) may be appropriated only

~~(1) for acquisition, improvement, remodeling, or expansion of; or~~

~~(2) to retire or advance refund bonds issued, loans obtained, or lease payments incurred under IC 36-1-10 (referred to in this chapter as "obligations") to remodel, expand, improve, or acquire an athletic and exhibition coliseum in existence before the effective date of an ordinance adopted under section 3 of this chapter, with respect to obligations for which a pledge of revenue received under this chapter was made before January 1, 2009; and~~

(2) shall be used to make transfers required by subsection (b).

(b) There is established a food and beverage tax reserve account to be administered by the capital improvement board of managers (IC 36-10-8). Fifty percent (50%) of the money that is deposited in the supplemental coliseum improvement fund after December 31, 2009, and is not needed in a year to make payments on obligations for which a pledge of revenue under this chapter was made before January 1, 2009, shall be transferred to the capital improvement

C
o
p
y



board. The county treasurer shall make the transfer before February 1 of the following year. The capital improvement board shall deposit the money it receives in the board's food and beverage tax reserve account. Money in the reserve account may not be withdrawn or transferred during the year it is received except to make transfers back to the county to make payments on obligations for which a pledge of revenue under this chapter was made before January 1, 2009. However, the capital improvement board may transfer:

(1) interest earned on money in the reserve account; and

(2) an amount equal to the balance that has been held in the reserve account for at least twelve (12) months;

to the board's capital improvement fund established by IC 36-10-8-12. Excess revenue transferred under this subsection to the capital improvement board of managers may be used only for a project initiated after December 31, 2008, and may not be used, or transferred to a fund that allows the money to be used, to pay operational expenses for any facilities of the municipality.

SECTION 18. IC 6-9-33-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) The county may enter into an agreement under which amounts deposited in, or to be deposited in, the supplemental coliseum expansion fund are pledged to payment of obligations issued to finance the remodeling, expansion, or maintenance of an athletic and exhibition coliseum under section 8 of this chapter:

(b) (a) Obligations entered into before January 1, 2009, for the acquisition, expansion, remodeling, and improvement of an athletic and exhibition coliseum shall be retired by using money collected from a tax imposed under this chapter.

(c) (b) With respect to obligations for which a pledge has been made under subsection (a); this section before January 1, 2009, the general assembly covenants with the holders of these obligations that:

(1) this chapter will not be repealed or amended in any manner that will adversely affect the imposition or collection of the tax imposed under this chapter; and

(2) this chapter will not be amended in any manner that will change the purpose for which revenues from the tax imposed under this chapter may be used;

as long as the payment of any of those obligations is outstanding.

SECTION 19. IC 6-9-33-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. On or before March 31 each year, the executive

C
o
p
y



1 director of the World War Memorial Coliseum shall submit to the
2 capital improvement board of managers an annual report of the
3 operations of the coliseum.

4 SECTION 20. IC 6-9-41 IS ADDED TO THE INDIANA CODE
5 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
6 UPON PASSAGE]:

7 **Chapter 41. Monroe County Food and Beverage Tax**

8 **Sec. 1. This chapter applies to Monroe County.**

9 **Sec. 2. Except as provided in sections 3, 4, and 9(b) of this**
10 **chapter, the definitions in IC 6-9-12-1 and IC 36-1-2 apply**
11 **throughout this chapter.**

12 **Sec. 3. As used in this chapter, "city" means the city of**
13 **Bloomington.**

14 **Sec. 4. As used in this chapter, "county" means Monroe County.**

15 **Sec. 5. (a) The fiscal body of the county may adopt an ordinance**
16 **to impose an excise tax, known as the county food and beverage**
17 **tax, on those transactions described in section 6 of this chapter.**
18 **The effective date of an ordinance adopted under this subsection**
19 **must be after December 31, 2009.**

20 **(b) If the fiscal body adopts an ordinance under subsection (a),**
21 **the fiscal body shall immediately send a certified copy of the**
22 **ordinance to the commissioner of the department of state revenue.**

23 **(c) If the fiscal body adopts an ordinance under subsection (a),**
24 **the county food and beverage tax applies to transactions that occur**
25 **after the last day of the month that succeeds the month in which**
26 **the ordinance is adopted.**

27 **Sec. 6. (a) Except as provided in subsection (c), a tax imposed**
28 **under section 5 of this chapter applies to any transaction in which**
29 **food or beverage is furnished, prepared, or served:**

- 30 **(1) for consumption at a location, or on equipment, provided**
31 **by a retail merchant;**
32 **(2) in the county in which the tax is imposed; and**
33 **(3) by a retail merchant for consideration.**

34 **(b) Transactions described in subsection (a)(1) include**
35 **transactions in which food or beverage is:**

- 36 **(1) served by a retail merchant off the merchant's premises;**
37 **(2) food sold in a heated state or heated by a retail merchant;**
38 **(3) two (2) or more food ingredients mixed or combined by a**
39 **retail merchant for sale as a single item (other than food that**
40 **is only cut, repackaged, or pasteurized by the seller, and eggs,**
41 **fish, meat, poultry, and foods containing these raw animal**
42 **foods requiring cooking by the consumer as recommended by**

C
O
P
Y



the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses); or

(4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or packaging used to transport the food).

(c) The county food and beverage tax does not apply to the furnishing, preparing, or serving of any food or beverage in a transaction that is exempt, or to the extent exempt, from the state gross retail tax imposed by IC 6-2.5.

Sec. 7. The county food and beverage tax imposed on a food or beverage transaction described in section 6 of this chapter equals one percent (1%) of the gross retail income received by the merchant from the transaction. For purposes of this chapter, the gross retail income received by the retail merchant from the transaction does not include the amount of tax imposed on the transaction under IC 6-2.5.

Sec. 8. If an ordinance is not adopted under section 9 of this chapter, the tax that may be imposed under section 5 of this chapter shall be imposed, paid, and collected in the same manner that the state gross retail tax is imposed, paid, and collected under IC 6-2.5. However, the return to be filed for the payment of the tax under this chapter may be made separately or may be combined with the return filed for the payment of the state gross retail tax, as prescribed by the department of state revenue.

Sec. 9. (a) The county fiscal body may adopt an ordinance to require that the tax imposed under section 5 of this chapter be reported on forms approved by the county treasurer and that the tax be paid monthly to the county treasurer. If an ordinance is adopted under this subsection, the tax shall be paid to the county treasurer not more than twenty (20) days after the end of the month in which the tax is collected. If an ordinance is not adopted under this subsection, the tax shall be imposed, paid, and collected in exactly the same manner as the state gross retail tax is imposed, paid, and collected under IC 6-2.5.

(b) If an ordinance is adopted under this section, all of the provisions of IC 6-2.5 relating to rights, duties, liabilities, procedures, penalties, definitions, exemptions, and administration apply to the imposition and administration of the tax imposed under section 5 of this chapter, except to the extent those

**C
o
p
y**



provisions are in conflict or inconsistent with the specific provisions of this chapter or the requirements of the county treasurer.

(c) Specifically and not in limitation of this subsection, the terms "person" and "gross income" have the same meaning in this section as set forth in IC 6-2.5, except that "person" does not include state supported educational institutions. If the tax is paid to the department of state revenue, the returns to be filed for the payment of the tax under this section may be either a separate return or may be combined with the return filed for the payment of the state gross retail tax as the department of state revenue may by rule determine.

Sec. 10. If an ordinance is not adopted under section 9 of this chapter, the amounts received from the county food and beverage tax imposed under section 5 of this chapter shall be paid monthly by the treasurer of state to the county treasurer upon warrants issued by the auditor of state.

Sec. 11. (a) If an ordinance is adopted under section 5 of this chapter, the county treasurer shall establish a food and beverage tax receipts fund.

(b) The county treasurer shall deposit in the fund county food and beverage tax revenue that the county treasurer receives.

(c) Any money earned from the investment of money in the fund becomes part of the fund.

(d) Money in the fund at the end of the county fiscal year does not revert to the county general fund.

Sec. 12. (a) If an ordinance is adopted under section 5 of this chapter, the fiscal officer of the city shall establish a food and beverage tax receipts fund.

(b) The fiscal officer shall deposit in the fund county food and beverage tax revenue that the fiscal officer receives.

(c) Any money earned from the investment of money in the fund becomes part of the fund.

(d) Money in the fund at the end of the city fiscal year does not revert to the city general fund.

Sec. 13. (a) Each month, the county auditor shall distribute the county food and beverage tax revenue received by the county treasurer between the city and the county according to the location where the county food and beverage tax was collected. If the county food and beverage tax was collected in the city, the city must receive the revenue. If the county food and beverage tax was collected in the part of the county that is outside the city, the

**C
O
P
Y**



1 county must receive the revenue.

2 (b) Distribution of county food and beverage tax revenue to the
3 city must be on warrants issued by the county auditor.

4 Sec. 14. The county's share of county food and beverage tax
5 revenue deposited in the county food and beverage tax receipts
6 fund may be used only to finance, refinance, construct, operate, or
7 maintain a convention center, a conference center, or related
8 tourism or economic development projects.

9 Sec. 15. Money deposited in the city food and beverage tax
10 receipts fund may be used only to finance, refinance, construct,
11 operate, or maintain a convention center, a conference center, or
12 related tourism or economic development projects.

13 Sec. 16. (a) In order to coordinate and assist efforts of the
14 county and city fiscal bodies regarding the utilization of food and
15 beverage tax receipts, an advisory commission shall be established
16 and composed of the following individuals:

17 (1) Three (3) members who are owners of retail facilities that
18 sell food or beverages subject to the county food and beverage
19 tax imposed under this chapter appointed by the city and
20 county executive.

21 (2) The president of the county executive.

22 (3) A member of the county fiscal body appointed by the
23 members of the county fiscal body.

24 (4) The city executive.

25 (5) A member of the city legislative body appointed by the
26 members of the city legislative body.

27 (b) The county and city legislative bodies must request the
28 advisory commission's recommendations concerning the
29 expenditure of any food and beverage tax funds collected under
30 this chapter. The county or city legislative body may not adopt any
31 ordinance or resolution requiring the expenditure of food and
32 beverage tax collected under this chapter without the approval, in
33 writing, of a majority of the members of the advisory commission.

34 SECTION 21. IC 6-9-42 IS ADDED TO THE INDIANA CODE AS
35 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
36 1, 2009]:

37 **Chapter 42. Morgan County Innkeeper's Tax**

38 **Sec. 1. This chapter applies to Morgan County.**

39 **Sec. 2. (a) The county council may impose a tax on every person**
40 **engaged in the business of renting or furnishing, for periods of less**
41 **than thirty (30) days, any room or rooms, lodgings, or**
42 **accommodations in any:**

C
O
P
Y



1 (1) hotel;
 2 (2) motel;
 3 (3) boat motel;
 4 (4) inn;
 5 (5) college or university memorial union;
 6 (6) college or university residence hall or dormitory; or
 7 (7) tourist cabin;
 8 located in the county.

9 (b) The tax does not apply to gross income received in a
 10 transaction in which a person rents a room, lodging, or
 11 accommodations for a period of thirty (30) days or more.

12 (c) The tax may not exceed the rate of five percent (5%) on the
 13 gross retail income derived from lodging income only and is in
 14 addition to the state gross retail tax imposed under IC 6-2.5.

15 Sec. 3. The county council may adopt an ordinance to require
 16 that the tax be reported on forms approved by the county treasurer
 17 and that the tax shall be paid monthly to the county treasurer. If an
 18 ordinance is adopted under this section, the tax shall be paid to the
 19 county treasurer not more than twenty (20) days after the end of
 20 the month the tax is collected. If an ordinance is not adopted under
 21 this section, the tax shall be imposed, paid, and collected in exactly
 22 the same manner as the state gross retail tax is imposed, paid, and
 23 collected under IC 6-2.5.

24 Sec. 4. (a) All of the provisions of IC 6-2.5 relating to rights,
 25 duties, liabilities, procedures, penalties, definitions, exemptions,
 26 and administration are applicable to the imposition and
 27 administration of the tax imposed under this section except to the
 28 extent those provisions are in conflict or inconsistent with the
 29 specific provisions of this chapter or the requirements of the
 30 county treasurer. If the tax is paid to the department of state
 31 revenue, the return to be filed for the payment of the tax under this
 32 section may be either a separate return or may be combined with
 33 the return filed for the payment of the state gross retail tax as the
 34 department of state revenue may, by rule, determine.

35 (b) If the tax is paid to the department of state revenue, the
 36 amounts received from the tax imposed under this section shall be
 37 paid monthly by the treasurer of state to the county treasurer upon
 38 warrants issued by the auditor of state.

39 Sec. 5. (a) The county treasurer shall establish a parks and
 40 recreation fund. The county treasurer shall deposit in this fund all
 41 amounts the county treasurer receives under this chapter.

42 (b) Money in a parks and recreation fund may be expended to:

C
 o
 p
 y



- (1) acquire land for parks and recreational purposes; and
- (2) provide funding for parks and recreation:
 - (A) facilities;
 - (B) programs;
 - (C) services; and
 - (D) matching grants.

SECTION 22. IC 7.1-4-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. An excise tax, referred to as the beer excise tax, at the rate of ~~eleven and one-half~~ **twenty-three** cents (~~\$.115~~) (**\$0.23**) a gallon is imposed upon the sale of beer or flavored malt beverage within Indiana.

SECTION 23. IC 7.1-4-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. ~~Rate of Tax:~~ An excise tax at the rate of ~~two five~~ dollars and ~~sixty-eight~~ **thirty-six** cents (~~\$2.68~~) (**\$5.36**) a gallon is imposed upon the sale, gift, or the withdrawal for sale or gift, of liquor and wine that contains twenty-one percent (21%), or more, of absolute alcohol reckoned by volume.

SECTION 24. IC 7.1-4-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. An excise tax at the rate of ~~forty-seven~~ **ninety-four** cents (~~\$0.47~~) (**\$0.94**) a gallon is imposed upon the manufacture and sale or gift, or withdrawal for sale or gift, of wine, except hard cider, within this state.

SECTION 25. IC 7.1-4-4.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. An excise tax at the rate of ~~eleven and one-half~~ **twenty-three** cents (~~\$0.115~~) (**\$0.23**) a gallon is imposed upon the manufacture and sale or gift, or withdrawal for sale or gift, of hard cider within Indiana.

SECTION 26. IC 7.1-4-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. ~~Rate of Tax:~~ An excise tax at the rate of ~~five ten~~ cents (~~5¢~~) (**\$0.10**) a gallon, or fraction of a gallon, is imposed upon the sale, gift, exchange, or barter of liquid malt or wort.

SECTION 27. IC 7.1-4-7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. The department shall deposit:

- (1) four cents (\$0.04) of the beer excise tax rate collected on each gallon of beer or flavored malt beverage;
- (2) one dollar (\$1) of the liquor excise tax rate collected on each gallon of liquor;
- (3) twenty cents (\$0.20) of the wine excise tax rate collected on each gallon of wine;
- (4) ~~the entire amount~~ **five cents (\$0.05)** of the malt excise tax

C
o
p
y



rate collected ~~and~~ on each gallon of liquid malt or wort; and
 (5) ~~the entire amount~~ eleven and one-half cents (\$0.115) of the
 hard cider excise tax rate collected on each gallon of hard
 cider;

daily with the treasurer of state and not later than the fifth day of the
 following month shall cover them into the general fund of the state for
 distribution as provided in this chapter.

SECTION 28. IC 7.1-4-14 IS ADDED TO THE INDIANA CODE
 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 JULY 1, 2009]:

Chapter 14. Local Economic Development Fund

Sec. 1. (a) The local economic development fund is established
 to provide distributions to cities and towns throughout Indiana.
 The fund shall be administered by the department of local
 government finance.

(b) The expenses of administering the fund shall be paid from
 money in the fund.

(c) Money in the fund at the end of a state fiscal year does not
 revert to the state general fund.

(d) The department shall deposit daily with the treasurer of
 state the following amounts:

(1) Eleven and one-half cents (\$0.115) of the beer excise tax
 rate collected on each gallon of beer or flavored malt
 beverage.

(2) Two dollars and sixty-eight cents (\$2.68) of the liquor
 excise tax rate collected on each gallon of liquor.

(3) Forty-seven cents (\$0.47) of the wine excise tax rate
 collected on each gallon of wine.

(4) Five cents (\$0.05) of the malt excise tax rate collected and
 on each gallon of liquid malt or wort.

(5) Eleven and one-half cents (\$0.115) of the hard cider excise
 tax rate collected on each gallon of hard cider.

Not later than the fifth day of the following month, the treasurer
 of state shall transfer the deposits to the local economic
 development fund established by this chapter.

Sec. 2. (a) The treasurer of state shall distribute the amount
 deposited in the fund to the cities and towns throughout Indiana
 based on population. Money received by a city or town may be
 used only for economic development, including job creation or
 retention, infrastructure needs, or employment related training in
 the city or town.

(b) For a:

C
o
p
y



(1) consolidated city, all the money received by the city shall be transferred to the capital improvement board of managers in the county; and

(2) city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000), fifty percent (50%) of money received by the city shall be transferred to the joint county-city capital improvement board of managers in the county.

(c) One-half (1/2) of the distribution shall be made on or before June 1 and the remaining one-half (1/2) shall be distributed on or before December 1 each year.

SECTION 29. IC 36-7-31-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. As used in this chapter, "covered taxes" means the following:

(1) With respect to the professional sports development area as it existed on December 31, 2008:

~~(1)~~ (A) The state gross retail tax imposed under IC 6-2.5-2-1 or use tax imposed under IC 6-2.5-3-2.

~~(2)~~ (B) An adjusted gross income tax imposed under IC 6-3-2-1 on an individual.

~~(3)~~ (C) A county option income tax imposed under IC 6-3.5-6.

~~(4)~~ (D) A food and beverage tax imposed under IC 6-9.

(2) With respect to an addition to the professional sports development area after December 31, 2008, the state gross retail tax imposed under IC 6-2.5-2-1 or use tax imposed under IC 6-2.5-3-2.

SECTION 30. IC 36-7-31-10, AS AMENDED BY P.L.214-2005, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10. A commission may establish as part of a professional sports development area any facility **or complex of facilities:**

(1) that is used in the training of a team engaged in professional sporting events; **or**

(2) that is:

(A) financed in whole or in part by:

(i) notes or bonds issued by a political subdivision or issued under IC 36-10-9 or IC 36-10-9.1; or

(ii) a lease or other agreement under IC 5-1-17; and

(B) used to hold a professional sporting event; **or**

(3) **that:**

(A) **consists of a hotel, motel, or a multibrand complex of hotels or motels where accommodations are regularly**

C
o
p
y



1 furnished for consideration to the general public for
 2 periods of less than thirty (30) days;
 3 (B) is located within five-tenths (0.5) of a mile from the
 4 Indiana Convention Center as measured on an entrance to
 5 entrance basis;
 6 (C) contains at least one thousand (1,000) rooms placed in
 7 service after December 31, 2008; and
 8 (D) provides access to the Indiana Convention Center by
 9 a covered structure.

10 The tax area may include a facility **or complex of facilities** described
 11 in this section and any parcel of land on which the facility **or complex**
 12 **of facilities** is located. An area may contain noncontiguous tracts of
 13 land within the county.

14 SECTION 31. IC 36-7-31-11, AS AMENDED BY P.L.214-2005,
 15 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2009]: Sec. 11. (a) A tax area must be initially established
 17 before July 1, 1999, according to the procedures set forth for the
 18 establishment of an economic development area under IC 36-7-15.1.
 19 A tax area may be changed (including to the exclusion or inclusion of
 20 a facility described in this chapter) or the terms governing the tax area
 21 may be revised in the same manner as the establishment of the initial
 22 tax area. However, **a tax area may be changed as follows:**

23 (1) After May 14, 2005, ~~(†)~~ a tax area may be changed ~~only~~ to
 24 include the site or future site of a facility that is or will be the
 25 subject of a lease or other agreement entered into between the
 26 capital improvement board and the Indiana stadium and
 27 convention building authority or any state agency under
 28 IC 5-1-17-26. ~~and~~

29 (2) After June 30, 2009, a tax area may be changed to include
 30 the site or future site of a facility **or complex of facilities**
 31 **described in section 10(3) of this chapter.**

32 ~~(2)~~ (3) The terms governing a tax area may be revised only with
 33 respect to a facility **or complex of facilities** described in
 34 subdivision (1) **or (2).**

35 (b) In establishing or changing the tax area or revising the terms
 36 governing the tax area, the commission must ~~make~~ **do** the following:
 37 ~~findings:~~

38 (1) **With respect to a tax area change described in subsection**
 39 **(a)(1), the commission must make the following findings**
 40 **instead of the findings required for the establishment of economic**
 41 **development areas:**

42 ~~(†)~~ (A) That a project to be undertaken or that has been

C
o
p
y



undertaken in the tax area is for a facility at which a professional sporting event or a convention or similar event will be held.

~~(2)~~ **(B)** That the project to be undertaken or that has been undertaken in the tax area will benefit the public health and welfare and will be of public utility and benefit.

~~(3)~~ **(C)** That the project to be undertaken or that has been undertaken in the tax area will protect or increase state and local tax bases and tax revenues.

(2) With respect to a tax area change described in subsection (a)(2), the commission must make the following findings instead of the findings required for the establishment of an economic development area:

(A) That the facility or complex of facilities in the tax area provides convenient accommodations for professional sporting events, conventions, or similar events held in the capital improvements that are operated by the capital improvement board.

(B) That the facility or complex of facilities in the tax area provides the opportunity for the capital improvement board to hold events having a significant positive economic impact.

(C) That the facility or complex of facilities in the tax area protects or increases state and local tax bases and tax revenues.

(c) The tax area established by the commission under this chapter is a special taxing district authorized by the general assembly to enable the county to provide special benefits to taxpayers in the tax area by promoting economic development that is of public use and benefit.

SECTION 32. IC 36-7-31-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13. (a) The budget agency must approve the resolution before covered taxes may be allocated under section 14 **or 14.2 of this chapter.**

(b) When considering a resolution **with respect to a tax area change described in section 11(a)(1) of this chapter**, the budget committee and the budget agency must make the following findings:

(1) The cost of the facility and facility site specified under the resolution exceeds one hundred thousand dollars (\$100,000).

(2) The project specified in the resolution is economically sound and will benefit the people of Indiana by protecting or increasing state and local tax bases and tax revenues for at least the duration of the tax area established under this chapter.

C
o
p
y



(3) The political subdivisions ~~effected~~ **affected** by the project specified in the resolution have committed significant resources towards completion of the improvement.

(c) When considering a resolution with respect to a tax area change described in section 11(a)(2) of this chapter, the budget committee and the budget agency must make the following findings:

(1) The facility or complex of facilities described in section 10(3) of this chapter will provide accommodations that are located in convenient proximity to capital improvements that are operated by the capital improvement board.

(2) The facility or complex of facilities specified in the resolution will benefit the people of Indiana by providing the opportunity for the capital improvement board to hold events having a significant positive economic impact.

(3) The facility or complex of facilities specified in the resolution will protect or increase state and local tax bases and tax revenues.

~~(c)~~ **(d)** Revenues from the tax area may not be allocated until the budget agency approves the resolution.

SECTION 33. IC 36-7-31-14, AS AMENDED BY P.L.214-2005, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14. **(a) This section does not apply to that part of the tax area in which a facility or complex of facilities described in section 11(a)(2) of this chapter is located. A reference to "tax area" in this section does not include the part of the tax area in which a facility or complex of facilities described in section 11(a)(2) of this chapter is located.**

~~(a)~~ **(b)** A tax area must be established by resolution. A resolution establishing a tax area must provide for the allocation of covered taxes attributable to a taxable event or covered taxes earned in the tax area to the professional sports development area fund established for the county. The allocation provision must apply to the ~~entire part of the~~ **tax area covered by this section**. The resolution must provide that the tax area terminates not later than December 31, 2027.

~~(b)~~ **(c)** All of the salary, wages, bonuses, and other compensation that are:

- (1) paid during a taxable year to a professional athlete for professional athletic services;
- (2) taxable in Indiana; and
- (3) earned in the tax area;

shall be allocated to the tax area if the professional athlete is a member

C
o
p
y



of a team that plays the majority of the professional athletic events that the team plays in Indiana in the tax area.

(c) (d) Except as provided by section 14.1 of this chapter, the total amount of state revenue captured by the tax area may not exceed five million dollars (\$5,000,000) per year for twenty (20) consecutive years.

(d) (e) The resolution establishing the tax area must designate the facility and the facility site for which the tax area is established and covered taxes will be used.

(e) (f) The department may adopt rules under IC 4-22-2 and guidelines to govern the allocation of covered taxes to a tax area.

SECTION 34. IC 36-7-31-14.1, AS AMENDED BY P.L.120-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14.1. (a) The budget director appointed under IC 4-12-1-3 may determine that, commencing July 1, 2007, there may be captured in the tax area up to eleven million dollars (\$11,000,000) per year in addition to the up to five million dollars (\$5,000,000) of state revenue to be captured by the tax area under section 14 of this chapter **for the professional sports development area fund and in addition to the state revenue to be captured by the part of the tax area covered by section 14.2 of this chapter for the sports and convention facilities operating fund**, for up to thirty-four (34) consecutive years. The budget director's determination must specify that the termination date of the tax area for purposes of the collection of the additional eleven million dollars (\$11,000,000) per year **for the professional sports development area fund** is extended to not later than:

(1) January 1, 2041; or

(2) January 1, 2010, if on that date there are no obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority or to any state agency under IC 5-1-17-26.

Following the budget director's determination, and commencing July 1, 2007, the maximum total amount of revenue captured by the tax area for years ending before January 1, 2041, ~~shall be~~ **is** sixteen million dollars (\$16,000,000) per year **for the professional sports development area fund**.

(b) The additional revenue captured pursuant to a determination under subsection (a) shall be distributed to the capital improvement board or its designee. So long as there are any current or future obligations owed by the capital improvement board to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency under a lease or another agreement entered into between

C
o
p
y



the capital improvement board and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26, the capital improvement board or its designee shall deposit the additional revenue received under this subsection in a special fund, which may be used only for the payment of the obligations described in this subsection.

(c) Notwithstanding the budget director's determination under subsection (a), after January 1, 2010, the capture of the additional eleven million dollars (\$11,000,000) per year described in subsection (a) terminates on January 1 of the year following the first year in which no obligations of the capital improvement board described in subsection (b) remain outstanding.

SECTION 35. IC 36-7-31-14.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 14.2. (a) This section applies to the part of the tax area in which a facility or complex of facilities described in section 11(a)(2) of this chapter is located. A reference to "tax area addition" in this section includes only the part of the tax area in which a facility or complex of facilities described in section 11(a)(2) of this chapter is located.**

(b) A tax area change described in section 11(a)(2) of this chapter must be established by resolution. A resolution changing the tax area must provide for the allocation of:

(1) covered taxes attributable to a taxable event in the tax area addition; or

(2) covered taxes earned in the tax area addition; to the sports and convention facilities operating fund established by section 16(b) of this chapter. However, to the extent a covered tax has been pledged before January 1, 2009, and allocated under IC 36-10-9-11 to the capital improvement bond fund, that amount shall not be allocated to the sports and convention facilities operating fund. The allocation provision must apply only to the tax area addition. The resolution must provide that the tax area addition terminates not later than December 31, 2040.

(c) The revenue captured for the sports and convention facilities operating fund shall be distributed to the capital improvement board or its designee. The capital improvement board or its designee shall deposit the revenue received under this section in a special fund, which may be used only for paying usual and customary operating expenses that have a positive economic impact with respect to the capital improvements that are operated by the capital improvement board. The special fund may not be used for the payment of any current or future obligations owed by

**C
o
p
y**



the board:

(1) to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency under a lease or another agreement entered into between the capital improvement board and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26; or
(2) for the construction or equipping of a capital improvement that is used for a professional sporting event or convention, including the financing or refinancing of a capital improvement or the payment of lease payments for a capital improvement.

(d) The resolution changing the tax area must designate each facility and each facility site for which the money to be distributed from the sports and convention facilities operating fund will be used.

(e) The department may adopt rules under IC 4-22-2 and guidelines to govern the allocation of covered taxes to the tax area addition.

SECTION 36. IC 36-7-31-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) A professional sports development area fund for the benefit of the county is established. The fund shall be administered by the department. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) A sports and convention facilities operating fund for the benefit of the county is established. The fund shall be administered by the department. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

SECTION 37. IC 36-7-31-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17. (a) Covered taxes attributable to a taxing area established under section 14 of this chapter shall be deposited in the professional sports development area fund established by section 16(a) of this chapter for the county.

(b) Covered taxes attributable to the part of the tax area in which a facility or complex of facilities described in section 11(a)(2) of this chapter is located shall be deposited in the sports and convention facilities operating fund established by section 16(b) of this chapter for the county. However, to the extent a covered tax has been pledged before January 1, 2009, and allocated under IC 36-10-9-11 to the capital improvement bond fund, that amount shall not be allocated to the sports and convention facilities operating fund.

C
O
P
Y



SECTION 38. IC 36-7-31-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 18. On or before the twentieth day of each month, all amounts held in the professional sports development area fund **and in the sports and convention facilities operating fund** for the county shall be distributed to the capital improvement board.

SECTION 39. IC 36-7-31-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 20. All distributions from the professional sports development area fund **or the sports and convention facilities operating fund** for the county shall be made by warrants issued by the auditor of state to the treasurer of state ordering those payments to the capital improvement board.

SECTION 40. IC 36-7-31-21, AS AMENDED BY P.L.214-2005, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 21. (a) Except as provided in section 14.1 of this chapter, the capital improvement board may use money distributed from the **professional sports development area fund established by section 16(a) of this chapter** only to construct and equip a capital improvement that is used for a professional sporting event, including the financing or refinancing of a capital improvement or the payment of lease payments for a capital improvement.

(b) Except as provided in section 14.2 of this chapter, the capital improvement board:

(1) may use money distributed from the sports and convention facilities operating fund established by section 16(b) of this chapter only to pay usual and customary operating expenses that have a positive economic impact with respect to capital improvements operated by the capital improvement board; and

(2) may not use money distributed from the sports and convention facilities operating fund to construct or equip a capital improvement that is used for a professional sporting event or convention, including the financing or refinancing of a capital improvement or the payment of lease payments for a capital improvement.

SECTION 41. IC 36-7-31-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 22. The capital improvement board shall repay to the professional sports development area fund **or the sports and convention facilities operating fund** any amount that is distributed to the capital improvement board and used for:

(1) a purpose that is not described in section 21 of this chapter; or

C
o
p
y



(2) a facility or facility site other than the facility and facility site to which covered taxes are designated under the resolution described in section 14 **or 14.2** of this chapter.

The department shall distribute the covered taxes repaid to the professional sports development area fund **or the sports and convention facilities operating fund** under this section proportionately to the funds and the political subdivisions that would have received the covered taxes if the covered taxes had not been allocated to the tax area under this chapter.

SECTION 42. IC 36-9-12-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. A municipality may:

(1) regulate the parking or standing of vehicles upon or off any public way in the municipality; and

(2) provide for the collection of license fees from a person parking or standing a vehicle upon or off any public way in the municipality;

by the use of parking meters. Regulations and fees under this section must be established by ordinance. **Disbursements of revenue from fees that are received by the municipality must be authorized by ordinance.**

SECTION 43. IC 36-9-12-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. (a) **If a municipality has not adopted an ordinance for the deposit and disbursement of license fees from parking meters**, a municipality must provide, by ordinance, that:

(1) all license fees collected from parking meters shall be deposited with the municipal fiscal officer;

(2) the fees shall be deposited to the credit of the municipality in a special fund; and

(3) disbursements from the special fund may be made only on orders of the municipal works board, ~~or~~ board of transportation, **or other governmental body designated by ordinance**, and only for the purposes listed in subsection (b).

(b) Disbursements from the special fund may be made only to pay:

(1) the purchase price, rental fees, and cost of installation of the parking meters;

(2) the cost of maintenance, operation, and repair of the parking meters;

(3) incidental costs and expenses in the operation of the parking meters, including the cost of clerks and bookkeeping;

(4) the cost of traffic signal devices used in the municipality;

(5) the cost of repairing and maintaining any of the public ways,

C
o
p
y



curbs, and sidewalks where the parking meters are in use, and all public ways connected with them in the municipality;

(6) the cost of acquiring, by lease or purchase, suitable land for offstreet parking facilities to be operated or leased by the municipality;

(7) the principal and interest on bonds issued:

(A) to acquire parking facilities and devices; **or**

(B) for other public infrastructure and improvements;

(8) the cost of improving and maintaining land for parking purposes and purchasing, installing, and maintaining parking meters on that land; ~~and~~

(9) the cost of providing approved school crossing protective facilities, including the costs of purchase, maintenance, operation, and repair, and all other incidental costs;

(10) the cost associated with the acquisition, construction, renovation, operation, and maintenance of public infrastructure and improvements; and

(11) other purposes authorized by the municipality, so long as the municipality makes appropriate disbursements to make payments for items set forth in subdivisions (1) through (3).

SECTION 44. IC 36-9-12-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) Money deposited in the special fund under section 4 of this chapter may be expended only upon a specific appropriation made for that purpose by the municipal legislative body in the same manner that it appropriates other public money.

(b) The municipal works board or board of transportation shall prepare an itemized estimate of the money **that may be** necessary for the operation of parking meters for the ensuing year at the regular time of making and filing budget estimates for other departments of the municipality. These estimates shall be made and presented to the municipal legislative body in the same manner as other department estimates.

(c) An appropriation under this section is not subject to review by the county tax adjustment board or the department of local government finance, and the general statutes regarding appropriation of funds do not affect this chapter.

SECTION 45. IC 36-9-12-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. **(a)** Contracts for public improvements under this chapter must be awarded in the manner prescribed by IC 36-1-12.

(b) A municipality may consider a parking meter a public

C
o
p
y



1 **facility for purposes of IC 5-23 and may enter into an agreement**
 2 **under IC 5-23 to carry out the purposes of this chapter.**

3 SECTION 46. IC 36-10-8-6 IS AMENDED TO READ AS
 4 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. The board may,
 5 acting under the name "(name of county) county capital improvement
 6 board of managers", or, if the board was created under IC 18-7-18
 7 (before its repeal on February 24, 1982), "~~(name of the city) and (name~~
 8 ~~of the county) county convention and tourism authority~~", "**(name of**
 9 **the county) and (name of the city) capital improvement board of**
 10 **managers**", do the following:

11 (1) Acquire by grant, purchase, gift, devise, lease, or otherwise,
 12 and hold, use, sell, lease, or dispose of, real and personal property
 13 and any rights and interests in it necessary or convenient for the
 14 exercise of its powers under this chapter.

15 (2) Construct, reconstruct, repair, remodel, enlarge, extend, or add
 16 to any capital improvement under this chapter and condemn,
 17 appropriate, lease, rent, purchase, and hold any real property,
 18 rights-of-way, materials, or personal property needed for the
 19 purposes of this chapter, even if it is already held for a
 20 governmental or public use.

21 (3) Control and operate a capital improvement, and receive and
 22 collect money due to the operation or otherwise relating to the
 23 capital improvement, including employing an executive manager
 24 and other agents and employees that are necessary for the
 25 acquisition, construction, and proper operation of the
 26 improvements and fixing the compensation of all employees with
 27 a contract of employment or other arrangement terminable at the
 28 will of the board. However, a contract may be entered into with an
 29 executive manager and associate manager for a period not longer
 30 than four (4) years at one (1) time and may be extended from time
 31 to time for the same or shorter periods.

32 (4) Let concessions for the operation of restaurants, cafeterias,
 33 public telephones, news and cigar stands, vending machines,
 34 caterers, and all other services considered necessary or desirable
 35 for the operation of a capital improvement.

36 (5) Lease a capital improvement or a part of it to any association,
 37 corporation, or individual, with or without the right to sublet.

38 (6) Fix charges and establish rules and regulations governing the
 39 use of a capital improvement.

40 (7) Accept gifts or contributions from individuals, corporations,
 41 limited liability companies, partnerships, associations, trusts, or
 42 foundations and funds, loans, or advances on the terms that the

C
o
p
y



board considers necessary or desirable from the United States, the state, or a political subdivision or department of either, including entering into and carrying out contracts and agreements in connection with this subdivision.

(8) Acquire the site for a capital improvement, or a part of a site by conveyance from the redevelopment commission of a city within the county in which the board is created or from any other source, on the terms that may be agreed upon.

(9) If the board was created under IC 18-7-18 (before its repeal on February 24, 1982), exercise within and in the name of the county the power of eminent domain under general statutes governing the exercise of the power for a public purpose.

(10) Receive and collect all money due for the use or leasing of a capital improvement and from concessions and other contracts, and expend the money for proper purposes, but any employees or members of the board authorized to receive, collect, and expend money must be covered by a fidelity bond, the amount of which shall be fixed by the board. Funds may not be disbursed by an employee or member of the board without prior specific approval by the board.

(11) Provide coverage for its employees under IC 22-3 and IC 22-4.

(12) Purchase public liability and other insurance considered desirable.

(13) Make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this chapter, including the enforcement of them.

(14) Maintain and repair a capital improvement and all equipment and facilities that are a part of it, including the employment of a building superintendent and other employees that are necessary to maintain the capital improvement.

(15) Sue and be sued in its own name, service of process being had upon the president or vice president of the board or by leaving a copy at the board's office.

(16) Prepare and publish descriptive material and literature relating to the facilities and advantages of a capital improvement and do all other acts that the board considers necessary to promote and publicize the capital improvement and serve the commercial, industrial, and cultural interests of Indiana and its citizens by the use of the capital improvement. It may assist and cooperate with public, governmental, and private agencies and groups for these purposes.

**C
o
p
y**



(17) Promote the development and growth of the convention and visitor industry in the county.

(18) Transfer money from the capital improvement fund established by this chapter to any Indiana not-for-profit corporation for the promotion and encouragement of conventions, trade shows, visitors, and special events in the county.

SECTION 47. IC 36-10-8-16, AS AMENDED BY P.L.146-2008, SECTION 796, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) A capital improvement may be financed in whole or in part by the issuance of general obligation bonds of the county or, if the **authority board** was created under IC 18-7-18 (before its repeal on February 24, 1982), also of the city, if the board determines that the estimated annual net income of the capital improvement, plus the estimated annual tax revenues to be derived from any tax revenues made available for this purpose, will not be sufficient to satisfy and pay the principal of and interest on all bonds issued under this chapter, including the bonds then proposed to be issued.

(b) If the board desires to finance a capital improvement in whole or in part as provided in this section, it shall have prepared a resolution to be adopted by the county executive authorizing the issuance of general obligation bonds, or, if the **authority board** was created under IC 18-7-18 (before its repeal on February 24, 1982), by the fiscal body of the city authorizing the issuance of general obligation bonds. The resolution must set forth an itemization of the funds and assets received by the board, together with the board's valuation and certification of the cost. The resolution must state the date or dates on which the principal of the bonds is payable, the maximum interest rate to be paid, and the other terms upon which the bonds shall be issued. The board shall submit the proposed resolution to the proper officers, together with a certificate to the effect that the issuance of bonds in accordance with the resolution will be in compliance with this section. The certificate must also state the estimated annual net income of the capital improvement to be financed by the bonds, the estimated annual tax revenues, and the maximum amount payable in any year as principal and interest on the bonds issued under this chapter, including the bonds proposed to be issued, at the maximum interest rate set forth in the resolution. The bonds issued may mature over a period not exceeding forty (40) years from the date of issue.

(c) Upon receipt of the resolution and certificate, the proper officers may adopt them and take all action necessary to issue the bonds in accordance with the resolution. An action to contest the validity of

C
o
p
y



bonds issued under this section may not be brought after the fifteenth day following the receipt of bids for the bonds.

(d) The provisions of all general statutes relating to:

(1) the filing of a petition requesting the issuance of bonds and giving notice;

(2) the right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a);

(3) the giving of notice of the determination to issue bonds;

(4) the giving of notice of a hearing on the appropriation of the proceeds of bonds;

(5) the right of taxpayers to appear and be heard on the proposed appropriation;

(6) the approval of the appropriation by the department of local government finance; and

(7) the sale of bonds at public sale;

apply to the issuance of bonds under this section.

SECTION 48. IC 36-10-8-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 21. (a) This section applies only to a board that was created under IC 18-7-18 (before its repeal on February 24, 1982).**

(b) On or before March 31 each year, the executive manager shall submit to the board an annual report of the operations of the convention and visitor center.

SECTION 49. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2009]: IC 6-9-20-7; IC 6-9-20-8; IC 6-9-23; IC 6-9-33-10.

SECTION 50. [EFFECTIVE UPON PASSAGE] **A large percentage of the land in the city of Bloomington and in Monroe County is not taxable because the land is owned by the state or the federal government, which puts the city and the county at a disadvantage in their ability to fund projects. These special circumstances require legislation particular to the city and county.**

SECTION 51. **An emergency is declared for this act.**

C
o
p
y



COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1604, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1604 as introduced.)

SMITH V, Chair

Committee Vote: yeas 12, nays 0.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1604, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-9-2.5-7.5, AS AMENDED BY P.L.224-2007, SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7.5. (a) The county treasurer shall establish a tourism capital improvement fund.

(b) The county treasurer shall deposit money in the tourism capital improvement fund as follows:

(1) Before January 1, ~~2010~~, **2015**, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a three and one-half percent (3.5%) rate.

(2) After December 31, ~~2009~~, **2014**, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a four and one-half percent (4.5%) rate.

(c) The commission may transfer money in the tourism capital improvement fund to:

(1) the county government, a city government, or a separate body corporate and politic in a county described in section 1 of this

C
o
p
y



chapter; or

(2) any Indiana nonprofit corporation;

for the purpose of making capital improvements in the county that promote conventions, tourism, or recreation. The commission may transfer money under this section only after approving the transfer. Transfers shall be made quarterly or less frequently under this section.

SECTION 2. IC 6-9-2.5-7.7, AS AMENDED BY P.L.168-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7.7. (a) The county treasurer shall establish a convention center operating fund.

(b) Before January 1, ~~2010~~, **2015**, the county treasurer shall deposit in the convention center operating fund the amount of money received under section 6 of this chapter that is generated by a two percent (2%) rate. Money in the fund must be expended for the operating expenses of a convention center.

(c) After December 31, ~~2009~~, **2014**, the county treasurer shall deposit in the convention center operating fund the amount of money received under section 6 of this chapter that is generated by a one percent (1%) rate. Money in the fund must be expended for the operating expenses of a convention center with the unused balance transferred on January 1 of each year to the tourism capital improvement fund.

SECTION 3. IC 6-9-20-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) The fiscal body of the county may adopt an ordinance to impose an excise tax, known as the county food and beverage tax, on those transactions described in section 4 of this chapter.

(b) If a fiscal body adopts an ordinance under subsection (a), it shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue.

(c) If a fiscal body adopts an ordinance under subsection (a), the county food and beverage tax applies to transactions that occur after the last day of the month that succeeds the month in which the ordinance was adopted.

~~(d) The tax terminates in a county on January 1 of the year immediately following the year in which the last of the bonds issued to finance the construction of an airport terminal and the last of any bonds issued to refund those bonds have been completely paid as to both principal and interest.~~

~~(e) Notwithstanding subsection (d);~~ **(d) Except as provided in subsection (e),** if the county fiscal body determines that the tax under this chapter should be continued in order to finance improvements to

C
o
p
y



a county auditorium or auditorium renovation resulting in a new convention center and related parking facilities, the tax ~~does not terminate as specified in subsection (d) but instead~~ continues until January 1 of the year following the year in which the last of the bonds issued to finance improvements to a county auditorium or auditorium renovation resulting in a new convention center and related parking facilities, and the last of any bonds issued to refund those bonds, have been completely paid or defeased as to both principal and interest. An action to contest the validity of the determination under this subsection must be instituted not more than thirty (30) days after the determination.

(e) Notwithstanding subsection (d), if the county fiscal body determines that the tax under this chapter should be continued to finance the acquisition, construction, and equipping of an arena and other facilities that serve or support the arena activities, the tax does not terminate as specified in subsection (d) but continues until January 1 of the year following the year in which the last of the bonds issued to finance the acquisition, construction, and equipping of the arena and other facilities that serve or support the arena activities, and the last of any bonds issued to refund those bonds, have been completely paid or defeased as to both principal and interest. An action to contest the validity of the determination under this subsection must be instituted not more than thirty (30) days after the determination.

SECTION 4. IC 6-9-20-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7.5. If:

~~(1) the treasurer of the airport authority has certified to the treasurer of state that the last of the bonds issued to finance the construction of an airport terminal and the last of any bonds issued to refund those bonds have been completely paid as to both principal and interest; and~~

~~(2) the county fiscal body has determined to continue the tax to finance improvements to a county auditorium or auditorium renovation resulting in a new convention center and related parking facilities~~ **or to finance the acquisition, construction, and equipping of an arena and other facilities that serve or support the arena activities;**

the amounts received from the taxes imposed under this chapter shall be paid monthly by the treasurer of state to the county treasurer **under section 8.5 of this chapter or the fiscal officer of the largest municipality in the county under section 9.5 of this chapter** upon warrants issued by the auditor of state.

C
o
p
y



SECTION 5. IC 6-9-20-8.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8.5. (a) If the tax imposed under section 3 of this chapter is continued to finance improvements to the county auditorium or auditorium renovation resulting in a new convention center and related parking facilities, the county treasurer shall establish an auditorium fund.

(b) **Except as provided in sections 8.8 and 9.5 of this chapter**, the county treasurer shall deposit in this fund all amounts received under this chapter.

(c) Any money earned from the investment of money in the fund becomes a part of the fund.

(d) Money in the fund shall be used by the county for the financing, construction, renovation, improvement, and equipping of a county auditorium or auditorium renovation resulting in a new convention center and related parking facilities.

SECTION 6. IC 6-9-20-8.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 8.8. (a) If the tax imposed under section 3 of this chapter is continued to finance the acquisition, construction, and equipping of an arena and other facilities that serve or support the arena activities, the county treasurer shall determine whether there is any food and beverage tax revenue under this chapter that is not required to be deposited and held to:**

- (1) pay any debt service on bonds issued or rentals on leases entered into by January 1, 2009, for which a pledge of revenues of the food and beverage tax has been made by the county as set forth in section 8.7 of this chapter; or
- (2) provide for a debt service reserve related to the bonds or leases described in subdivision (1).

(b) Before the twentieth day of each month, the county treasurer shall determine whether there is excess food and beverage tax revenue under subsection (a) and by the last day of that month transfer the excess food and beverage tax revenue to the fiscal officer of the largest municipality in the county. The municipal fiscal officer shall deposit the excess food and beverage tax revenue in a municipal arena fund. Any money earned from the investment of money in the municipal arena fund becomes a part of the municipal arena fund. Money in the municipal arena fund shall be used by the largest municipality in the county for financing the acquisition, construction, and equipping of an arena and other facilities that serve or support the arena activities. This money shall be retained in the municipal arena fund until applied or

C
o
p
y



transferred to another fund pledged to the payment of debt service on bonds, rent on leases, or other obligations incurred to finance the facilities.

SECTION 7. IC 6-9-20-8.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 8.9. (a) If the tax imposed under section 3 of this chapter is continued to finance the acquisition, construction, and equipping of an arena and other facilities that serve or support the arena activities, the largest municipality in the county may issue bonds, enter into leases, or incur other obligations to:**

- (1) pay any costs associated with the financing, acquisition, construction, and equipping of the arena and other facilities that serve or support the arena activities; or**
- (2) refund bonds issued or other obligations incurred under this chapter so long as any bonds issued or other obligations incurred to refund bonds or retire other obligations do not extend the date when the previous bonds or other obligations will be completely paid as to principal and interest.**

(b) Bonds issued or other obligations incurred under this section:

- (1) are payable from money provided in this chapter, any other revenues available to the municipality, or any combination of these sources;**
- (2) must be issued in the manner prescribed by IC 36-4-6-19 through IC 36-4-6-20;**
- (3) may not have a term ending more than thirty (30) years after the first February 1 following the date on which construction of the arena and other facilities that serve or support the arena activities is estimated to be completed;**
- (4) may be payable at any regular designated intervals and may be paid in unequal amounts if the municipality reasonably expects to pay the debt service from funds other than property taxes that are exempt from the levy limitations of IC 6-1.1-18.5 (even if the municipality has pledged to levy property taxes to pay the debt service if those other funds are insufficient); and**
- (5) may, in the discretion of the municipality, be sold at a negotiated sale at a price to be determined by the municipality or in accordance with IC 5-1-11 and IC 5-3-1.**

(c) Leases entered into under this section:

- (1) may be for a term ending not later than thirty (30) years after the first February 1 following the date on which**

**C
O
P
Y**



construction of the arena and other facilities that serve or support the arena activities is estimated to be completed;

(2) may be payable at any regular designated intervals and may be paid in unequal amounts if the municipality reasonably expects to pay the lease rentals from funds other than property taxes that are exempt from the levy limitations of IC 6-1.1-18.5 (even if the municipality has pledged to levy property taxes to pay the lease rentals if those other funds are insufficient);

(3) may provide for payments from revenues under this chapter, any other revenues available to the municipality, or any combination of these sources;

(4) may provide that payments by the municipality to the lessor are required only to the extent and only for the time that the lessor is able to provide the leased facilities in accordance with the lease;

(5) must be based upon the value of the facilities leased; and

(6) may not create a debt of the municipality for purposes of the Constitution of the State of Indiana.

(d) A lease may be entered into by the municipal executive after a public hearing of the municipal fiscal body at which all interested parties are provided the opportunity to be heard. After the public hearing, the municipal executive may approve the execution of the lease on behalf of the municipality only if:

(1) the municipal executive finds that the service to be provided throughout the life of the lease will serve the public purpose of the municipality and is in the best interests of its residents; and

(2) the lease is approved by an ordinance of the municipal fiscal body.

(e) An action to contest the validity of bonds issued or leases entered into under this section must be brought not later than thirty (30) days after the adoption of a bond ordinance or the municipal executive's action approving the execution of the lease.

(f) Notwithstanding the provisions of this chapter or any other law, instead of issuing bonds, entering into leases, or incurring obligations in whole or in part under this chapter, the largest municipality in the county may cause bonds to be issued, leases to be entered into, or obligations to be incurred under this subsection to finance the acquisition, construction, and equipping of an arena and other facilities that serve or support the arena. The bonds, leases, or obligations:

**C
O
P
Y**



- (1) must be issued, entered, or incurred by any special taxing district, agency, department, or instrumentality of or in the municipality, under any other law by which bonds may be issued, leases may be entered, or obligations incurred;
- (2) must be payable from money provided under this chapter, from any other revenues available to the municipality or any special taxing district, agency, department, or instrumentality of or in the municipality, or any combination of these sources;
- (3) must have a term ending not later than thirty (30) years after the first February 1 following the date on which construction of the arena and other facilities that serve or support the arena activities is estimated to be completed; and
- (4) may be payable at any regular designated intervals and may be paid in unequal amounts if the municipality, special taxing district, agency, department, or instrumentality of or in the municipality reasonably expects to pay the debt service or lease rentals from funds other than property taxes that are exempt from the levy limitations of IC 6-1.1-18.5 (even if the municipality or any special taxing district, agency, department, or instrumentality of or in the municipality has pledged to levy property taxes to pay the debt service or lease rentals if those other funds are insufficient).

SECTION 8. IC 6-9-20-9 IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2009]: Sec. 9. With respect to

(1) bonds for which a pledge of airport authority revenues has been made by the airport authority, the Indiana general assembly covenants with the airport authority and the purchasers of those bonds that:

(A) this chapter will not be repealed or amended in any manner that will adversely affect the imposition or collection of the tax imposed by this chapter; and

(B) this chapter will not be amended in any manner that will change the purpose for which revenues from the tax imposed by this chapter may be used;

as long as the principal of or interest on any of those bonds is unpaid; and

(2) bonds, leases, or other obligations for which a pledge of revenues of the food and beverage tax imposed under this chapter has been made by the county as set forth in section 8.7 or 8.9 of this chapter, and bonds issued by a lessor that are payable from lease rentals, the general assembly covenants with the county, **the largest municipality in the county**, and the purchasers or owners

C
o
p
y



of the bonds or other obligations described in this subdivision that this chapter will not be repealed or amended in any manner that will adversely affect the imposition or collection of the food and beverage tax imposed by this chapter as long as the principal of any bonds, the interest on any bonds, or the lease rentals due under any lease are unpaid.

SECTION 9. IC 6-9-20-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 9.5. If:**

(1) the county treasurer has certified to the treasurer of state that:

(A) the last of the bonds issued to finance the improvements to a county auditorium or auditorium renovation resulting in a new convention center and related parking facilities; and

(B) the last of any bonds issued to refund the bonds referred to in clause (A);

have been completely paid or defeased as to both principal and interest; and

(2) the county fiscal body has made a determination to continue the tax to finance the acquisition, construction, and equipping of an arena and other facilities that serve or support the arena activities;

the amounts received from the taxes imposed under this chapter shall be paid monthly by the treasurer of state to the fiscal officer of the largest municipality in the county upon warrants issued by the auditor of state. The fiscal officer shall deposit any amounts received under this section in the municipal arena fund.

SECTION 10. IC 6-9-20-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 11. The financing of:**

(1) improvements to a county auditorium or auditorium renovation resulting in a new convention center and related parking facilities; and

(2) the acquisition, construction, and equipping of an arena and other facilities that serve or support the arena activities;

serves a public purpose and is of benefit to the general welfare of the county by enhancing cultural activities and improving the quality of life in the county and encouraging investment, economic growth, and diversity."

**C
o
p
y**



Page 6, line 40, after ":" insert "IC 6-9-20-7; IC 6-9-20-8;".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1604 as printed February 11, 2009.)

CRAWFORD, Chair

Committee Vote: yeas 22, nays 0.

Report of the President
Pro Tempore

Madam President: Pursuant to Senate Rule 65(b), I hereby report that Engrossed House Bill 1604, currently assigned to the Committee on Local Government, be reassigned to the Committee on Appropriations.

LONG

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1604, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning local government and to make an appropriation.

Page 2, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 3. IC 6-9-8-3, AS AMENDED BY P.L.214-2005, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The tax imposed by section 2 of this chapter shall be at the rate of:

(1) before January 1, 2028, five percent (5%) on the gross income derived from lodging income only, plus an additional one percent (1%) if the fiscal body adopts an ordinance under subsection (b), plus an additional three percent (3%) if the fiscal body adopts an ordinance under subsection (d);

(2) after December 31, 2027, and before January 1, 2041, five percent (5%), plus an additional one percent (1%) if the fiscal

C
o
p
y



body adopts an ordinance under subsection (b), plus an additional three percent (3%) if the fiscal body adopts an ordinance under subsection (d); and

(3) after December 31, 2040, five percent (5%).

(b) In any year subsequent to the initial year in which a tax is imposed under section 2 of this chapter, the fiscal body may, by ordinance adopted by at least two-thirds (2/3) of the members elected to the fiscal body, increase the tax imposed by section 2 of this chapter from five percent (5%) to six percent (6%). The ordinance must specify that the increase in the tax authorized under this subsection expires January 1, 2028.

(c) The amount collected from an increase adopted under subsection (b) shall be transferred to the capital improvement board of managers established by IC 36-10-9-3. The board shall deposit the revenues received under this subsection in a special fund. Money in the special fund may be used only for the payment of obligations incurred to expand a convention center, including:

(1) principal and interest on bonds issued to finance or refinance the expansion of a convention center; and

(2) lease agreements entered into to expand a convention center.

(d) On or before June 30, 2005, the fiscal body may, by ordinance adopted by a majority of the members elected to the fiscal body, increase the tax imposed by section 2 of this chapter by an additional three percent (3%) to a total rate of eight percent (8%) (or nine percent (9%) if the fiscal body has adopted an ordinance under subsection (b) and that rate remains in effect). The ordinance must specify that the increase in the tax authorized under this subsection expires on:

(1) January 1, 2041;

(2) January 1, 2010, if on that date there are no obligations owed by the capital improvement board of managers to the authority created by IC 5-1-17 or to any state agency under IC 5-1-17-26; or

(3) October 1, 2005, if on that date there are no obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority or to any state agency under a lease or a sublease of an existing capital improvement entered into under IC 5-1-17, unless waived by the budget director.

If the fiscal body adopts an ordinance under this subsection, it shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue, and the increase in the tax imposed under this chapter applies to transactions that occur after June 30,

**C
O
P
Y**



2005.

(e) On or before June 30, 2009, the fiscal body may, by ordinance adopted by a majority of the members elected to the fiscal body, increase the tax imposed by section 2 of this chapter by an additional one percent (1%) to a total rate of:

(1) nine percent (9%); or

(2) ten percent (10%), if the fiscal body has adopted an ordinance under subsection (b) and that rate remains in effect. The ordinance must specify that the increase in the tax authorized under this subsection expires on January 1, 2041.

If the fiscal body adopts an ordinance under this subsection, it shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue, and the increase in the tax imposed under this chapter applies to transactions that occur after June 30, 2009.

(f) The amount collected from an increase adopted under:

(1) subsection (b) and collected after December 31, 2027; and

(2) subsection (d);

shall be transferred to the capital improvement board of managers established by IC 36-10-9-3 or its designee. So long as there are any current or future obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency pursuant to a lease or other agreement entered into between the capital improvement board of managers and the Indiana stadium and convention building authority or any state agency pursuant to IC 5-1-17-26, the capital improvement board of managers or its designee shall deposit the revenues received under this subsection in a special fund, which may be used only for the payment of the obligations described in this subsection.

(g) The amount collected from an increase adopted under subsection (e) shall be transferred to the capital improvement board of managers established by IC 36-10-9-3 or its designee. The capital improvement board or its designee shall deposit the revenue received under this subsection in a special fund, which may be used only for paying usual and customary operating expenses that have a positive economic impact with respect to the capital improvements that are operated by the capital improvement board. The special fund may not be used for the payment of any current or future obligations owed by the board:

(1) to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency under a lease or another agreement entered into between the capital

**C
O
P
Y**



improvement board and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26; or (2) for the construction or equipping of a capital improvement that is used for a professional sporting event or convention, including the financing or refinancing of a capital improvement or the payment of lease payments for a capital improvement.

SECTION 4. IC 6-9-12-5, AS AMENDED BY P.L.214-2005, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Subject to subsection (b), the county food and beverage tax imposed on a food or beverage transaction described in section 3 of this chapter equals one percent (1%) of the gross retail income received by the retail merchant from the transaction. The tax authorized under this subsection expires January 1, 2041.

(b) On or before June 30, 2005, the city-county council of a county may, by a majority vote of the members elected to the city-county council, adopt an ordinance that increases the tax imposed under this chapter by an additional rate of one percent (1%) to a total rate of two percent (2%). The ordinance must specify that the increase in the tax authorized under this subsection expires on:

- (1) January 1, 2041;
- (2) January 1, 2010, if on that date there are no obligations owed by the capital improvement board of managers to the authority created by IC 5-1-17 or to any state agency under IC 5-1-17-26; or
- (3) October 1, 2005, if on that date there are no obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority or to any state agency under a lease or a sublease of an existing capital improvement entered into under IC 5-1-17, unless waived by the budget director.

If a city-county council adopts an ordinance under this subsection, it shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue, and the increase in the tax imposed under this chapter applies to transactions that occur after June 30, 2005.

(c) On or before June 30, 2009, the city-county council of a county may, by a majority vote of the members elected to the city-county council, adopt an ordinance that increases the tax imposed under this chapter by an additional rate of twenty-five hundredths percent (0.25%) to a total rate of two and twenty-five

**C
O
P
Y**



hundredths percent (2.25%). The ordinance must specify that the increase in the tax authorized under this subsection expires on January 1, 2041. If a city-county council adopts an ordinance under this subsection, it shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue, and the increase in the tax imposed under this chapter applies to transactions that occur after June 30, 2009.

~~(c)~~ **(d)** For purposes of this chapter, the gross retail income received by the retail merchant from a transaction that is subject to the tax imposed by this chapter does not include the amount of tax imposed on the transaction under IC 6-2.5.

SECTION 5. IC 6-9-12-8, AS AMENDED BY P.L.214-2005, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. **(a)** The amounts received from the county food and beverage tax shall be paid monthly by the treasurer of the state to the treasurer of the capital improvement board of managers of the county or its designee upon warrants issued by the auditor of state.

(b) So long as there are any current or future obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency pursuant to a lease or other agreement entered into between the capital improvement board of managers and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26, the capital improvement board of managers or its designee shall deposit the revenues received from that portion of the county food and beverage tax imposed under:

- (1) section 5(a) of this chapter for revenue received after December 31, 2027; and
- (2) section 5(b) of this chapter;

in a special fund, which may be used only for the payment of the obligations described in this section.

(c) The amount collected from an increase adopted under section 5(c) of this chapter shall be transferred to the capital improvement board of managers established by IC 36-10-9-3 or its designee. The capital improvement board or its designee shall deposit the revenue received under this subsection in a special fund, which may be used only for paying usual and customary operating expenses that have a positive economic impact with respect to the capital improvements that are operated by the capital improvement board. The special fund may not be used for the payment of any current or future obligations owed by the board:

**C
O
P
Y**



(1) to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency under a lease or another agreement entered into between the capital improvement board and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26; or (2) for the construction or equipping of a capital improvement that is used for a professional sporting event or convention, including the financing or refinancing of a capital improvement or the payment of lease payments for a capital improvement.

SECTION 6. IC 6-9-13-2, AS AMENDED BY P.L.214-2005, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as provided in subsection (b), the county admissions tax equals five percent (5%) of the price for admission to any event described in section 1 of this chapter.

(b) On or before June 30, 2005, the city-county council may, by ordinance adopted by a majority of the members elected to the city-county council, increase the county admissions tax from five percent (5%) to six percent (6%) of the price for admission to any event described in section 1 of this chapter.

(c) On or before June 30, 2009, the city-county council may, by ordinance adopted by a majority of the members elected to the city-county council, increase the county admissions tax from six percent (6%) to ten percent (10%) of the price for admission to any event described in section 1 of this chapter.

~~(c)~~ (d) The amount collected from that portion of the county admissions tax imposed under:

- (1) subsection (a) and collected after December 31, 2027; and
- (2) subsection (b);

shall be distributed to the capital improvement board of managers or its designee. So long as there are any current or future obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency pursuant to a lease or other agreement entered into between the capital improvement board of managers and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26, the capital improvement board of managers or its designee shall deposit the revenues received from that portion of the county admissions tax imposed under subsection (b) in a special fund, which may be used only for the payment of the obligations described in this subsection.

(e) The amount collected from an increase adopted under subsection (c) shall be transferred to the capital improvement

C
o
p
y



board of managers established by IC 36-10-9-3 or its designee. The capital improvement board or its designee shall deposit the revenue received under this subsection in a special fund, which may be used only for paying usual and customary operating expenses that have a positive economic impact with respect to the capital improvements that are operated by the capital improvement board. The special fund may not be used for the payment of any current or future obligations owed by the board:

- (1) to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency under a lease or another agreement entered into between the capital improvement board and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26; or
- (2) for the construction or equipping of a capital improvement that is used for a professional sporting event or convention, including the financing or refinancing of a capital improvement or the payment of lease payments for a capital improvement."

Page 8, between lines 40 and 41, begin a new paragraph and insert: "SECTION 15. IC 6-9-27-9.5, AS AMENDED BY P.L.184-2006, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 9.5. (a) A city shall use money in the fund established under section 8.5 of this chapter for only the following:

- (1) Renovating the city hall.
- (2) Constructing new police or fire stations, or both.
- (3) Improving the city's sanitary sewers or wastewater treatment facilities, or both.
- (4) Improving the city's storm water drainage systems.
- (5) Other projects involving the city's water system **or sanitary sewer system** or protecting the city's well fields, as determined by the city fiscal body.

(6) Improvements or projects involving the city's parks.

Money in the fund may not be used for the operating costs of a project. In addition, the city may not initiate a project under this chapter after December 31, 2015.

(b) The fiscal body of the city may pledge money in the fund to pay bonds issued, loans obtained, and lease payments or other obligations incurred by or on behalf of the city or a special taxing district in the city to provide the projects described in subsection (a).

(c) Subsection (b) applies only to bonds, loans, lease payments, or obligations that are issued, obtained, or incurred after the date on which the tax is imposed under section 3 of this chapter.

C
o
p
y



(d) A pledge under subsection (b) is enforceable under IC 5-1-14-4."

Page 9, line 27, delete "Any" and insert **"Fifty percent (50%) of the"**.

Page 9, line 27, after "money" insert **"that is"**.

Page 9, line 28, delete "June 30, 2009, that" insert **"December 31, 2009, and"**.

Page 10, line 2, after "IC 36-10-8-12." insert **"Excess revenue transferred under this subsection to the capital improvement board of managers may be used only for a project initiated after December 31, 2008, and may not be used, or transferred to a fund that allows the money to be used, to pay operational expenses for any facilities of the municipality."**

Page 10, line 26, delete "December" and insert **"March"**.

Page 10, between lines 29 and 30, begin a new paragraph and insert:
SECTION 19. IC 6-9-41 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 41. Monroe County Food and Beverage Tax

Sec. 1. This chapter applies to Monroe County.

Sec. 2. Except as provided in sections 3, 4, and 9(b) of this chapter, the definitions in IC 6-9-12-1 and IC 36-1-2 apply throughout this chapter.

Sec. 3. As used in this chapter, "city" means the city of Bloomington.

Sec. 4. As used in this chapter, "county" means Monroe County.

Sec. 5. (a) The fiscal body of the county may adopt an ordinance to impose an excise tax, known as the county food and beverage tax, on those transactions described in section 6 of this chapter. The effective date of an ordinance adopted under this subsection must be after December 31, 2009.

(b) If the fiscal body adopts an ordinance under subsection (a), the fiscal body shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue.

(c) If the fiscal body adopts an ordinance under subsection (a), the county food and beverage tax applies to transactions that occur after the last day of the month that succeeds the month in which the ordinance is adopted.

Sec. 6. (a) Except as provided in subsection (c), a tax imposed under section 5 of this chapter applies to any transaction in which food or beverage is furnished, prepared, or served:

(1) for consumption at a location, or on equipment, provided

C
o
p
y



- by a retail merchant;
- (2) in the county in which the tax is imposed; and
- (3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;
- (2) food sold in a heated state or heated by a retail merchant;
- (3) two (2) or more food ingredients mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses); or
- (4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or packaging used to transport the food).

(c) The county food and beverage tax does not apply to the furnishing, preparing, or serving of any food or beverage in a transaction that is exempt, or to the extent exempt, from the state gross retail tax imposed by IC 6-2.5.

Sec. 7. The county food and beverage tax imposed on a food or beverage transaction described in section 6 of this chapter equals one percent (1%) of the gross retail income received by the merchant from the transaction. For purposes of this chapter, the gross retail income received by the retail merchant from the transaction does not include the amount of tax imposed on the transaction under IC 6-2.5.

Sec. 8. If an ordinance is not adopted under section 9 of this chapter, the tax that may be imposed under section 5 of this chapter shall be imposed, paid, and collected in the same manner that the state gross retail tax is imposed, paid, and collected under IC 6-2.5. However, the return to be filed for the payment of the tax under this chapter may be made separately or may be combined with the return filed for the payment of the state gross retail tax, as prescribed by the department of state revenue.

Sec. 9. (a) The county fiscal body may adopt an ordinance to require that the tax imposed under section 5 of this chapter be reported on forms approved by the county treasurer and that the

C
O
P
Y



tax be paid monthly to the county treasurer. If an ordinance is adopted under this subsection, the tax shall be paid to the county treasurer not more than twenty (20) days after the end of the month in which the tax is collected. If an ordinance is not adopted under this subsection, the tax shall be imposed, paid, and collected in exactly the same manner as the state gross retail tax is imposed, paid, and collected under IC 6-2.5.

(b) If an ordinance is adopted under this section, all of the provisions of IC 6-2.5 relating to rights, duties, liabilities, procedures, penalties, definitions, exemptions, and administration apply to the imposition and administration of the tax imposed under section 5 of this chapter, except to the extent those provisions are in conflict or inconsistent with the specific provisions of this chapter or the requirements of the county treasurer.

(c) Specifically and not in limitation of this subsection, the terms "person" and "gross income" have the same meaning in this section as set forth in IC 6-2.5, except that "person" does not include state supported educational institutions. If the tax is paid to the department of state revenue, the returns to be filed for the payment of the tax under this section may be either a separate return or may be combined with the return filed for the payment of the state gross retail tax as the department of state revenue may by rule determine.

Sec. 10. If an ordinance is not adopted under section 9 of this chapter, the amounts received from the county food and beverage tax imposed under section 5 of this chapter shall be paid monthly by the treasurer of state to the county treasurer upon warrants issued by the auditor of state.

Sec. 11. (a) If an ordinance is adopted under section 5 of this chapter, the county treasurer shall establish a food and beverage tax receipts fund.

(b) The county treasurer shall deposit in the fund county food and beverage tax revenue that the county treasurer receives.

(c) Any money earned from the investment of money in the fund becomes part of the fund.

(d) Money in the fund at the end of the county fiscal year does not revert to the county general fund.

Sec. 12. (a) If an ordinance is adopted under section 5 of this chapter, the fiscal officer of the city shall establish a food and beverage tax receipts fund.

(b) The fiscal officer shall deposit in the fund county food and

C
O
P
Y



beverage tax revenue that the fiscal officer receives.

(c) Any money earned from the investment of money in the fund becomes part of the fund.

(d) Money in the fund at the end of the city fiscal year does not revert to the city general fund.

Sec. 13. (a) Each month, the county auditor shall distribute the county food and beverage tax revenue received by the county treasurer between the city and the county according to the location where the county food and beverage tax was collected. If the county food and beverage tax was collected in the city, the city must receive the revenue. If the county food and beverage tax was collected in the part of the county that is outside the city, the county must receive the revenue.

(b) Distribution of county food and beverage tax revenue to the city must be on warrants issued by the county auditor.

Sec. 14. The county's share of county food and beverage tax revenue deposited in the county food and beverage tax receipts fund may be used only to finance, refinance, construct, operate, or maintain a convention center, a conference center, or related tourism or economic development projects.

Sec. 15. Money deposited in the city food and beverage tax receipts fund may be used only to finance, refinance, construct, operate, or maintain a convention center, a conference center, or related tourism or economic development projects.

Sec. 16. (a) In order to coordinate and assist efforts of the county and city fiscal bodies regarding the utilization of food and beverage tax receipts, an advisory commission shall be established and composed of the following individuals:

- (1) Three (3) members who are owners of retail facilities that sell food or beverages subject to the county food and beverage tax imposed under this chapter appointed by the city and county executive.
- (2) The president of the county executive.
- (3) A member of the county fiscal body appointed by the members of the county fiscal body.
- (4) The city executive.
- (5) A member of the city legislative body appointed by the members of the city legislative body.

(b) The county and city legislative bodies must request the advisory commission's recommendations concerning the expenditure of any food and beverage tax funds collected under this chapter. The county or city legislative body may not adopt any

C
O
P
Y



ordinance or resolution requiring the expenditure of food and beverage tax collected under this chapter without the approval, in writing, of a majority of the members of the advisory commission.

SECTION 20. IC 6-9-42 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Chapter 42. Morgan County Innkeeper's Tax

Sec. 1. This chapter applies to Morgan County.

Sec. 2. (a) The county council may impose a tax on every person engaged in the business of renting or furnishing, for periods of less than thirty (30) days, any room or rooms, lodgings, or accommodations in any:

- (1) hotel;
- (2) motel;
- (3) boat motel;
- (4) inn;
- (5) college or university memorial union;
- (6) college or university residence hall or dormitory; or
- (7) tourist cabin;

located in the county.

(b) The tax does not apply to gross income received in a transaction in which a person rents a room, lodging, or accommodations for a period of thirty (30) days or more.

(c) The tax may not exceed the rate of five percent (5%) on the gross retail income derived from lodging income only and is in addition to the state gross retail tax imposed under IC 6-2.5.

Sec. 3. The county council may adopt an ordinance to require that the tax be reported on forms approved by the county treasurer and that the tax shall be paid monthly to the county treasurer. If an ordinance is adopted under this section, the tax shall be paid to the county treasurer not more than twenty (20) days after the end of the month the tax is collected. If an ordinance is not adopted under this section, the tax shall be imposed, paid, and collected in exactly the same manner as the state gross retail tax is imposed, paid, and collected under IC 6-2.5.

Sec. 4. (a) All of the provisions of IC 6-2.5 relating to rights, duties, liabilities, procedures, penalties, definitions, exemptions, and administration are applicable to the imposition and administration of the tax imposed under this section except to the extent those provisions are in conflict or inconsistent with the specific provisions of this chapter or the requirements of the county treasurer. If the tax is paid to the department of state

**C
o
p
y**



revenue, the return to be filed for the payment of the tax under this section may be either a separate return or may be combined with the return filed for the payment of the state gross retail tax as the department of state revenue may, by rule, determine.

(b) If the tax is paid to the department of state revenue, the amounts received from the tax imposed under this section shall be paid monthly by the treasurer of state to the county treasurer upon warrants issued by the auditor of state.

Sec. 5. (a) The county treasurer shall establish a parks and recreation fund. The county treasurer shall deposit in this fund all amounts the county treasurer receives under this chapter.

(b) Money in a parks and recreation fund may be expended to:

- (1) acquire land for parks and recreational purposes; and
- (2) provide funding for parks and recreation:
 - (A) facilities;
 - (B) programs;
 - (C) services; and
 - (D) matching grants.

SECTION 21. IC 7.1-4-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. An excise tax, referred to as the beer excise tax, at the rate of ~~eleven and one-half~~ **twenty-three** cents (~~\$0.115~~) (**\$0.23**) a gallon is imposed upon the sale of beer or flavored malt beverage within Indiana.

SECTION 22. IC 7.1-4-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. ~~Rate of Tax:~~ An excise tax at the rate of ~~two five~~ dollars and ~~sixty-eight~~ **thirty-six** cents (~~\$2.68~~) (**\$5.36**) a gallon is imposed upon the sale, gift, or the withdrawal for sale or gift, of liquor and wine that contains twenty-one percent (21%), or more, of absolute alcohol reckoned by volume.

SECTION 23. IC 7.1-4-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. An excise tax at the rate of ~~forty-seven~~ **ninety-four** cents (~~\$0.47~~) (**\$0.94**) a gallon is imposed upon the manufacture and sale or gift, or withdrawal for sale or gift, of wine, except hard cider, within this state.

SECTION 24. IC 7.1-4-4.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. An excise tax at the rate of ~~eleven and one-half~~ **twenty-three** cents (~~\$0.115~~) (**\$0.23**) a gallon is imposed upon the manufacture and sale or gift, or withdrawal for sale or gift, of hard cider within Indiana.

SECTION 25. IC 7.1-4-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. ~~Rate of Tax:~~ An excise tax at the rate of ~~five ten~~ cents (~~5¢~~) (**\$0.10**) a gallon, or fraction

C
o
p
y



of a gallon, is imposed upon the sale, gift, exchange, or barter of liquid malt or wort.

SECTION 26. IC 7.1-4-7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. The department shall deposit:

- (1) four cents (\$0.04) of the beer excise tax rate collected on each gallon of beer or flavored malt beverage;
- (2) one dollar (\$1) of the liquor excise tax rate collected on each gallon of liquor;
- (3) twenty cents (\$0.20) of the wine excise tax rate collected on each gallon of wine;
- (4) ~~the entire amount five cents (\$0.05) of the malt excise tax rate collected and on each gallon of liquid malt or wort; and~~
- (5) ~~the entire amount eleven and one-half cents (\$0.115) of the hard cider excise tax rate collected on each gallon of hard~~
cider;

daily with the treasurer of state and not later than the fifth day of the following month shall cover them into the general fund of the state for distribution as provided in this chapter.

SECTION 27. IC 7.1-4-14 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Chapter 14. Local Economic Development Fund

Sec. 1. (a) The local economic development fund is established to provide distributions to cities and towns throughout Indiana. The fund shall be administered by the department of local government finance.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(d) The department shall deposit daily with the treasurer of state the following amounts:

- (1) Eleven and one-half cents (\$0.115) of the beer excise tax rate collected on each gallon of beer or flavored malt beverage.**
- (2) Two dollars and sixty-eight cents (\$2.68) of the liquor excise tax rate collected on each gallon of liquor.**
- (3) Forty-seven cents (\$0.47) of the wine excise tax rate collected on each gallon of wine.**
- (4) Five cents (\$0.05) of the malt excise tax rate collected and on each gallon of liquid malt or wort.**



**C
O
P
Y**

(5) Eleven and one-half cents (\$0.115) of the hard cider excise tax rate collected on each gallon of hard cider.

Not later than the fifth day of the following month, the treasurer of state shall transfer the deposits to the local economic development fund established by this chapter.

Sec. 2. (a) The treasurer of state shall distribute the amount deposited in the fund to the cities and towns throughout Indiana based on population. Money received by a city or town may be used only for economic development, including job creation or retention, infrastructure needs, or employment related training in the city or town.

(b) For a:

(1) consolidated city, all the money received by the city shall be transferred to the capital improvement board of managers in the county; and

(2) city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000), fifty percent (50%) of money received by the city shall be transferred to the joint county-city capital improvement board of managers in the county.

(c) One-half (1/2) of the distribution shall be made on or before June 1 and the remaining one-half (1/2) shall be distributed on or before December 1 each year.

SECTION 28. IC 36-7-31-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. As used in this chapter, "covered taxes" means the following:

(1) With respect to the professional sports development area as it existed on December 31, 2008:

(1) (A) The state gross retail tax imposed under IC 6-2.5-2-1 or use tax imposed under IC 6-2.5-3-2.

(2) (B) An adjusted gross income tax imposed under IC 6-3-2-1 on an individual.

(3) (C) A county option income tax imposed under IC 6-3.5-6.

(4) (D) A food and beverage tax imposed under IC 6-9.

(2) With respect to an addition to the professional sports development area after December 31, 2008, the state gross retail tax imposed under IC 6-2.5-2-1 or use tax imposed under IC 6-2.5-3-2.

SECTION 29. IC 36-7-31-10, AS AMENDED BY P.L.214-2005, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10. A commission may establish as part of a professional sports development area any facility or complex of

**C
O
P
Y**



facilities:

- (1) that is used in the training of a team engaged in professional sporting events; ~~or~~
- (2) that is:
 - (A) financed in whole or in part by:
 - (i) notes or bonds issued by a political subdivision or issued under IC 36-10-9 or IC 36-10-9.1; or
 - (ii) a lease or other agreement under IC 5-1-17; and
 - (B) used to hold a professional sporting event; ~~or~~
- (3) that:
 - (A) consists of a hotel, motel, or a multibrand complex of hotels or motels where accommodations are regularly furnished for consideration to the general public for periods of less than thirty (30) days;
 - (B) is located within five-tenths (0.5) of a mile from the Indiana Convention Center as measured on an entrance to entrance basis;
 - (C) contains at least one thousand (1,000) rooms placed in service after December 31, 2008; and
 - (D) provides access to the Indiana Convention Center by a covered structure.

The tax area may include a facility **or complex of facilities** described in this section and any parcel of land on which the facility **or complex of facilities** is located. An area may contain noncontiguous tracts of land within the county.

SECTION 30. IC 36-7-31-11, AS AMENDED BY P.L.214-2005, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. (a) A tax area must be initially established before July 1, 1999, according to the procedures set forth for the establishment of an economic development area under IC 36-7-15.1. A tax area may be changed (including to the exclusion or inclusion of a facility described in this chapter) or the terms governing the tax area may be revised in the same manner as the establishment of the initial tax area. However, **a tax area may be changed as follows:**

- (1) After May 14, 2005, ~~(+)~~ a tax area may be changed ~~only~~ to include the site or future site of a facility that is or will be the subject of a lease or other agreement entered into between the capital improvement board and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26. ~~and~~
- (2) After June 30, 2009, a tax area may be changed to include the site or future site of a facility or complex of facilities



C
o
p
y

described in section 10(3) of this chapter.

~~(2)~~ (3) The terms governing a tax area may be revised only with respect to a facility **or complex of facilities** described in subdivision (1) **or (2)**.

(b) In establishing or changing the tax area or revising the terms governing the tax area, the commission must ~~make~~ **do** the following findings:

(1) With respect to a tax area change described in subsection (a)(1), the commission must make the following findings instead of the findings required for the establishment of economic development areas:

~~(1)~~ (A) That a project to be undertaken or that has been undertaken in the tax area is for a facility at which a professional sporting event or a convention or similar event will be held.

~~(2)~~ (B) That the project to be undertaken or that has been undertaken in the tax area will benefit the public health and welfare and will be of public utility and benefit.

~~(3)~~ (C) That the project to be undertaken or that has been undertaken in the tax area will protect or increase state and local tax bases and tax revenues.

(2) With respect to a tax area change described in subsection (a)(2), the commission must make the following findings instead of the findings required for the establishment of an economic development area:

(A) That the facility or complex of facilities in the tax area provides convenient accommodations for professional sporting events, conventions, or similar events held in the capital improvements that are operated by the capital improvement board.

(B) That the facility or complex of facilities in the tax area provides the opportunity for the capital improvement board to hold events having a significant positive economic impact.

(C) That the facility or complex of facilities in the tax area protects or increases state and local tax bases and tax revenues.

(c) The tax area established by the commission under this chapter is a special taxing district authorized by the general assembly to enable the county to provide special benefits to taxpayers in the tax area by promoting economic development that is of public use and benefit.

SECTION 31. IC 36-7-31-13 IS AMENDED TO READ AS

C
O
P
Y



FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13. (a) The budget agency must approve the resolution before covered taxes may be allocated under section 14 **or 14.2 of this chapter.**

(b) When considering a resolution **with respect to a tax area change described in section 11(a)(1) of this chapter,** the budget committee and the budget agency must make the following findings:

- (1) The cost of the facility and facility site specified under the resolution exceeds one hundred thousand dollars (\$100,000).
- (2) The project specified in the resolution is economically sound and will benefit the people of Indiana by protecting or increasing state and local tax bases and tax revenues for at least the duration of the tax area established under this chapter.
- (3) The political subdivisions ~~effected~~ **affected** by the project specified in the resolution have committed significant resources towards completion of the improvement.

(c) When considering a resolution with respect to a tax area change described in section 11(a)(2) of this chapter, the budget committee and the budget agency must make the following findings:

- (1) The facility or complex of facilities described in section 10(3) of this chapter will provide accommodations that are located in convenient proximity to capital improvements that are operated by the capital improvement board.
- (2) The facility or complex of facilities specified in the resolution will benefit the people of Indiana by providing the opportunity for the capital improvement board to hold events having a significant positive economic impact.
- (3) The facility or complex of facilities specified in the resolution will protect or increase state and local tax bases and tax revenues.

~~(c)~~ (d) Revenues from the tax area may not be allocated until the budget agency approves the resolution.

SECTION 32. IC 36-7-31-14, AS AMENDED BY P.L.214-2005, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14. (a) **This section does not apply to that part of the tax area in which a facility or complex of facilities described in section 11(a)(2) of this chapter is located. A reference to "tax area" in this section does not include the part of the tax area in which a facility or complex of facilities described in section 11(a)(2) of this chapter is located.**

~~(a)~~ (b) A tax area must be established by resolution. A resolution establishing a tax area must provide for the allocation of covered taxes

C
O
P
Y



attributable to a taxable event or covered taxes earned in the tax area to the professional sports development area fund established for the county. The allocation provision must apply to the **entire part of the tax area covered by this section**. The resolution must provide that the tax area terminates not later than December 31, 2027.

~~(b)~~ (c) All of the salary, wages, bonuses, and other compensation that are:

- (1) paid during a taxable year to a professional athlete for professional athletic services;
- (2) taxable in Indiana; and
- (3) earned in the tax area;

shall be allocated to the tax area if the professional athlete is a member of a team that plays the majority of the professional athletic events that the team plays in Indiana in the tax area.

~~(c)~~ (d) Except as provided by section 14.1 of this chapter, the total amount of state revenue captured by the tax area may not exceed five million dollars (\$5,000,000) per year for twenty (20) consecutive years.

~~(d)~~ (e) The resolution establishing the tax area must designate the facility and the facility site for which the tax area is established and covered taxes will be used.

~~(e)~~ (f) The department may adopt rules under IC 4-22-2 and guidelines to govern the allocation of covered taxes to a tax area.

SECTION 33. IC 36-7-31-14.1, AS AMENDED BY P.L.120-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14.1. (a) The budget director appointed under IC 4-12-1-3 may determine that, commencing July 1, 2007, there may be captured in the tax area up to eleven million dollars (\$11,000,000) per year in addition to the up to five million dollars (\$5,000,000) of state revenue to be captured by the tax area under section 14 of this chapter **for the professional sports development area fund and in addition to the state revenue to be captured by the part of the tax area covered by section 14.2 of this chapter for the sports and convention facilities operating fund**, for up to thirty-four (34) consecutive years. The budget director's determination must specify that the termination date of the tax area for purposes of the collection of the additional eleven million dollars (\$11,000,000) per year **for the professional sports development area fund** is extended to not later than:

- (1) January 1, 2041; or
- (2) January 1, 2010, if on that date there are no obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority or to any state agency

C
o
p
y



under IC 5-1-17-26.

Following the budget director's determination, and commencing July 1, 2007, the maximum total amount of revenue captured by the tax area for years ending before January 1, 2041, ~~shall be~~ **is** sixteen million dollars (\$16,000,000) per year **for the professional sports development area fund.**

(b) The additional revenue captured pursuant to a determination under subsection (a) shall be distributed to the capital improvement board or its designee. So long as there are any current or future obligations owed by the capital improvement board to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency under a lease or another agreement entered into between the capital improvement board and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26, the capital improvement board or its designee shall deposit the additional revenue received under this subsection in a special fund, which may be used only for the payment of the obligations described in this subsection.

(c) Notwithstanding the budget director's determination under subsection (a), after January 1, 2010, the capture of the additional eleven million dollars (\$11,000,000) per year described in subsection (a) terminates on January 1 of the year following the first year in which no obligations of the capital improvement board described in subsection (b) remain outstanding.

SECTION 34. IC 36-7-31-14.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 14.2. (a) This section applies to the part of the tax area in which a facility or complex of facilities described in section 11(a)(2) of this chapter is located. A reference to "tax area addition" in this section includes only the part of the tax area in which a facility or complex of facilities described in section 11(a)(2) of this chapter is located.**

(b) A tax area change described in section 11(a)(2) of this chapter must be established by resolution. A resolution changing the tax area must provide for the allocation of:

(1) covered taxes attributable to a taxable event in the tax area addition; or

(2) covered taxes earned in the tax area addition;

to the sports and convention facilities operating fund established by section 16(b) of this chapter. However, to the extent a covered tax has been pledged before January 1, 2009, and allocated under IC 36-10-9-11 to the capital improvement bond fund, that amount shall not be allocated to the sports and convention facilities

**C
O
P
Y**



operating fund. The allocation provision must apply only to the tax area addition. The resolution must provide that the tax area addition terminates not later than December 31, 2040.

(c) The revenue captured for the sports and convention facilities operating fund shall be distributed to the capital improvement board or its designee. The capital improvement board or its designee shall deposit the revenue received under this section in a special fund, which may be used only for paying usual and customary operating expenses that have a positive economic impact with respect to the capital improvements that are operated by the capital improvement board. The special fund may not be used for the payment of any current or future obligations owed by the board:

- (1) to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency under a lease or another agreement entered into between the capital improvement board and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26; or
- (2) for the construction or equipping of a capital improvement that is used for a professional sporting event or convention, including the financing or refinancing of a capital improvement or the payment of lease payments for a capital improvement.

(d) The resolution changing the tax area must designate each facility and each facility site for which the money to be distributed from the sports and convention facilities operating fund will be used.

(e) The department may adopt rules under IC 4-22-2 and guidelines to govern the allocation of covered taxes to the tax area addition.

SECTION 35. IC 36-7-31-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) A professional sports development area fund for **the benefit of** the county is established. The fund shall be administered by the department. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) A sports and convention facilities operating fund for the benefit of the county is established. The fund shall be administered by the department. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

SECTION 36. IC 36-7-31-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17. (a) Covered taxes

C
o
p
y



attributable to a taxing area established under section 14 of this chapter shall be deposited in the professional sports development area fund **established by section 16(a) of this chapter** for the county.

(b) Covered taxes attributable to the part of the tax area in which a facility or complex of facilities described in section 11(a)(2) of this chapter is located shall be deposited in the sports and convention facilities operating fund established by section 16(b) of this chapter for the county. However, to the extent a covered tax has been pledged before January 1, 2009, and allocated under IC 36-10-9-11 to the capital improvement bond fund, that amount shall not be allocated to the sports and convention facilities operating fund.

SECTION 37. IC 36-7-31-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 18. On or before the twentieth day of each month, all amounts held in the professional sports development area fund **and in the sports and convention facilities operating fund** for the county shall be distributed to the capital improvement board.

SECTION 38. IC 36-7-31-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 20. All distributions from the professional sports development area fund **or the sports and convention facilities operating fund** for the county shall be made by warrants issued by the auditor of state to the treasurer of state ordering those payments to the capital improvement board.

SECTION 39. IC 36-7-31-21, AS AMENDED BY P.L.214-2005, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 21. **(a)** Except as provided in section 14.1 of this chapter, the capital improvement board may use money distributed from the **professional sports development area fund established by section 16(a) of this chapter** only to construct and equip a capital improvement that is used for a professional sporting event, including the financing or refinancing of a capital improvement or the payment of lease payments for a capital improvement.

(b) Except as provided in section 14.2 of this chapter, the capital improvement board:

- (1) may use money distributed from the sports and convention facilities operating fund established by section 16(b) of this chapter only to pay usual and customary operating expenses that have a positive economic impact with respect to capital improvements operated by the capital improvement board; and**
- (2) may not use money distributed from the sports and**

C
o
p
y



convention facilities operating fund to construct or equip a capital improvement that is used for a professional sporting event or convention, including the financing or refinancing of a capital improvement or the payment of lease payments for a capital improvement.

SECTION 40. IC 36-7-31-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 22. The capital improvement board shall repay to the professional sports development area fund **or the sports and convention facilities operating fund** any amount that is distributed to the capital improvement board and used for:

- (1) a purpose that is not described in section 21 of this chapter; or
- (2) a facility or facility site other than the facility and facility site to which covered taxes are designated under the resolution described in section 14 **or 14.2** of this chapter.

The department shall distribute the covered taxes repaid to the professional sports development area fund **or the sports and convention facilities operating fund** under this section proportionately to the funds and the political subdivisions that would have received the covered taxes if the covered taxes had not been allocated to the tax area under this chapter.

SECTION 41. IC 36-9-12-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. A municipality may:

- (1) regulate the parking or standing of vehicles upon or off any public way in the municipality; and
- (2) provide for the collection of license fees from a person parking or standing a vehicle upon or off any public way in the municipality;

by the use of parking meters. Regulations and fees under this section must be established by ordinance. **Disbursements of revenue from fees that are received by the municipality must be authorized by ordinance.**

SECTION 42. IC 36-9-12-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. (a) **If a municipality has not adopted an ordinance for the deposit and disbursement of license fees from parking meters**, a municipality must provide, by ordinance, that:

- (1) all license fees collected from parking meters shall be deposited with the municipal fiscal officer;
- (2) the fees shall be deposited to the credit of the municipality in a special fund; and
- (3) disbursements from the special fund may be made only on

C
O
P
Y



orders of the municipal works board, ~~or~~ board of transportation, **or other governmental body designated by ordinance**, and only for the purposes listed in subsection (b).

- (b) Disbursements from the special fund may be made only to pay:
- (1) the purchase price, rental fees, and cost of installation of the parking meters;
 - (2) the cost of maintenance, operation, and repair of the parking meters;
 - (3) incidental costs and expenses in the operation of the parking meters, including the cost of clerks and bookkeeping;
 - (4) the cost of traffic signal devices used in the municipality;
 - (5) the cost of repairing and maintaining any of the public ways, curbs, and sidewalks where the parking meters are in use, and all public ways connected with them in the municipality;
 - (6) the cost of acquiring, by lease or purchase, suitable land for offstreet parking facilities to be operated or leased by the municipality;
 - (7) the principal and interest on bonds issued:
 - (A) to acquire parking facilities and devices; **or**
 - (B) **for other public infrastructure and improvements;**
 - (8) the cost of improving and maintaining land for parking purposes and purchasing, installing, and maintaining parking meters on that land; ~~and~~
 - (9) the cost of providing approved school crossing protective facilities, including the costs of purchase, maintenance, operation, and repair, and all other incidental costs;
 - (10) the cost associated with the acquisition, construction, renovation, operation, and maintenance of public infrastructure and improvements; and**
 - (11) other purposes authorized by the municipality, so long as the municipality makes appropriate disbursements to make payments for items set forth in subdivisions (1) through (3).**

SECTION 43. IC 36-9-12-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) Money deposited in the special fund under section 4 of this chapter may be expended only upon a specific appropriation made for that purpose by the municipal legislative body in the same manner that it appropriates other public money.

(b) The municipal works board or board of transportation shall prepare an itemized estimate of the money **that may be** necessary for the operation of parking meters for the ensuing year at the regular time of making and filing budget estimates for other departments of the

C
o
p
y



municipality. These estimates shall be made and presented to the municipal legislative body in the same manner as other department estimates.

(c) An appropriation under this section is not subject to review by the county tax adjustment board or the department of local government finance, and the general statutes regarding appropriation of funds do not affect this chapter.

SECTION 44. IC 36-9-12-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. **(a) Contracts for public improvements under this chapter must be awarded in the manner prescribed by IC 36-1-12.**

(b) A municipality may consider a parking meter a public facility for purposes of IC 5-23 and may enter into an agreement under IC 5-23 to carry out the purposes of this chapter."

Page 14, line 11, delete "December" and insert "**March**".

Page 14, after line 15, begin a new paragraph and insert:

"SECTION 50. [EFFECTIVE UPON PASSAGE] A large percentage of the land in the city of Bloomington and in Monroe County is not taxable because the land is owned by the state or the federal government, which puts the city and the county at a disadvantage in their ability to fund projects. These special circumstances require legislation particular to the city and county.

SECTION 51. An emergency is declared for this act."

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1604 as printed February 17, 2009.)

KENLEY, Chairperson

Committee Vote: Yeas 10, Nays 2.

C
o
p
y

